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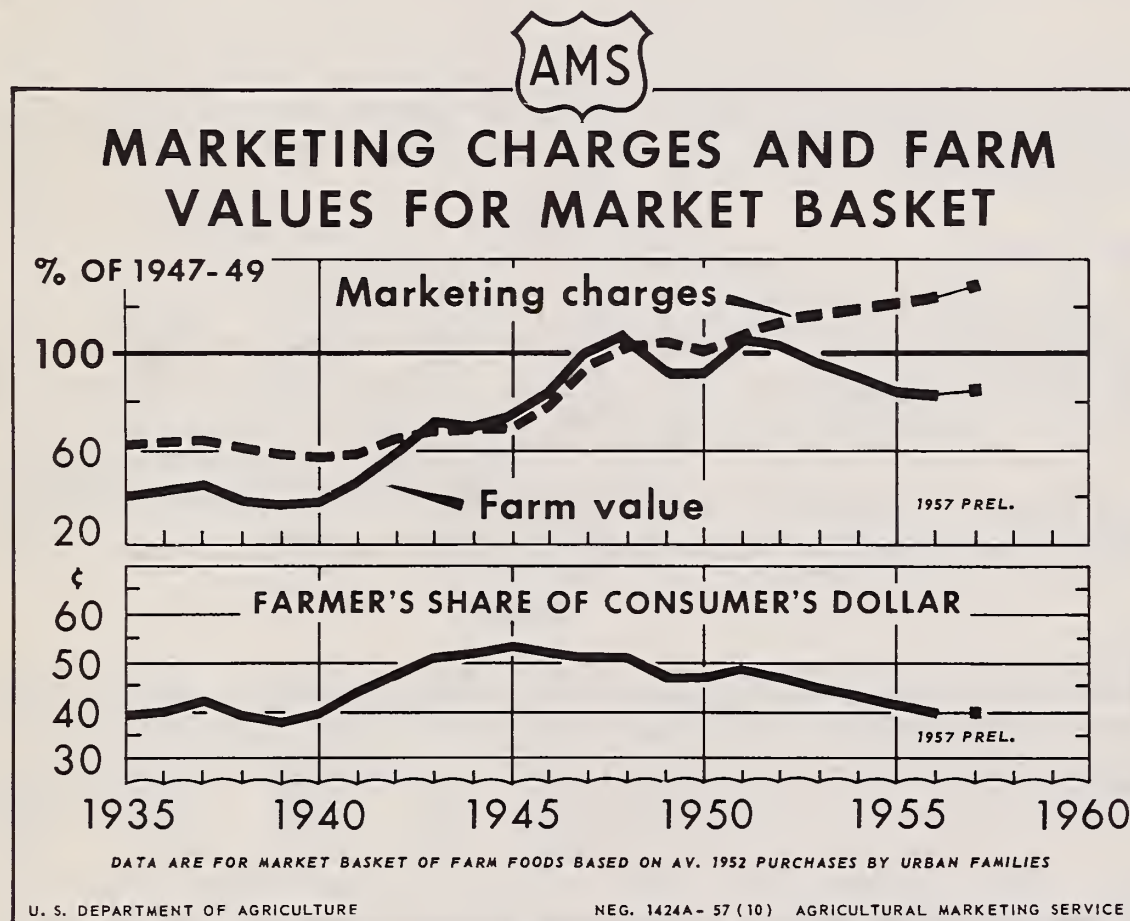
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The MARKETING and TRANSPORTATION SITUATION

MTS-127



Charges for marketing the farm foods in the family market basket are expected to average 5 percent higher in 1957 than in 1956. This is considerably more than the average annual change since 1950. Present indications point to a much smaller rise next year. Wages, transportation rates, prices of equipment and supplies, rents, property taxes, and other costs involved in performing mar-

keting services have risen during the last year. The farm value, or payment farmers received for the equivalent farm products, also has increased in 1957 and the average for the year is expected to be 3 percent higher than that for 1956. The share farmers receive of the dollar consumers spend for farm foods will average about the same in 1957 as in 1956.

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UNITED STATES DEPARTMENT OF AGRICULTURE

STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period:	1956		1957		
		Year	July-Sept.	Jan.-Mar.	Apr.-June	July-Sept.
<u>Farm-to-retail price spreads</u>						
Farm-food market basket: 1/						
Retail cost	Dol.	972	994	982	1,002	1,033
Farm value	Dol.	390	404	385	395	414
Farm-retail spread	Dol.	582	590	597	607	619
Farmer's share of retail cost	Pct.	40	41	39	39	40
Cotton: 2/						
Retail cost	Dol.	55.86	55.96	56.41	56.43	---
Farm value	Dol.	7.02	6.93	6.62	7.05	---
Farm-retail spread	Dol.	48.84	49.03	49.79	49.38	---
Farmer's share of retail cost	Pct.	12	12	12	12	---
Tobacco: 3/						
Retail cost	Dol.	3.45	---	---	---	---
Farm value	Dol.	.55	---	---	---	---
Federal and State excise taxes	Dol.	1.37	---	---	---	---
Farm-retail spread excluding excise taxes	Dol.	1.53	---	---	---	---
Farmer's share of retail cost	Pct.	16	---	---	---	---
<u>General economic indicators</u>						
Consumers' per capita income and expenditures: 4/						
Disposable personal income	Dol.	1,708	1,713	1,736	1,752	---
Expenditures for goods and services	Dol.	1,588	1,593	1,626	1,632	---
Expenditures for food	Dol.	424	426	435	439	---
Expenditures for food as percentage of disposable income	Pct.	25	25	25	25	---
		1956		1957		
		Year	Aug.	June	July	Aug.
Hourly earnings, production workers, manufacturing 5/	Dol.	1.98	1.98	2.07	2.07	2.07
Hourly earnings of food marketing employees 6/	Dol.	1.81	1.80	1.90	1.90	1.90
Retail sales: 7/						
Food stores	Mil. dol.	3,683	3,738	3,986	4,027	4,057
Apparel stores	Mil. dol.	963	1,039	995	1,038	1,092
Manufacturers' inventories: 7/						
Food and beverage	Mil. dol.	4,685	4,768	4,882	4,804	4,729
Textile	Mil. dol.	2,586	2,608	2,612	2,642	2,650
Tobacco	Mil. dol.	1,832	1,896	2,064	2,038	2,003
Indexes of industrial production: 8/						
Food and beverage manufactures	:1947-49=100:	113	114	112	114	114
Textiles and apparel	:1947-49=100:	108	107	106	105	105
Tobacco manufactures	:1947-49=100:	107	105	111	114	---
Index of physical volume of farm marketings	:1947-49=100:	120	123	97	111	116
<u>Price indexes</u>						
Consumer price index 5/	:1947-49=100:	116	117	120	121	121
Wholesale prices of food 5/	:1947-49=100:	101	101	104	106	105
Wholesale prices of cotton products 5/	:1947-49=100:	93	92	91	90	90
Wholesale prices of woolen products 5/	:1947-49=100:	104	103	112	111	111
Prices received by farmers 9/	:1947-49=100:	87	87	90	91	92
Prices paid by farmers 9/	:1947-49=100:	110	111	114	114	114

1/ Average quantities of farm food products purchased per wage-earner and clerical-worker family in 1952.

2/ 42 cotton articles of clothing and housefurnishings, weighted by average annual quantities bought by wage earners and clerical workers as reported in 1934-36 survey. Data are for last month of quarter. 3/ 4 tobacco products from 1 pound of leaf tobacco (farm-sales weight), weighted by leaf equivalent of tax-paid withdrawals. Preliminary data for the fiscal year beginning July 1956. 4/ Seasonally adjusted annual rates, calculated from Dept. of Commerce data. 5/ Dept. of Labor. 6/ Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. of Labor. 7/ Seasonally adjusted, Dept. of Commerce. Annual data for 1956 are on an average monthly basis. 8/ Seasonally adjusted, Board of Governors of Federal Reserve System. 9/ Converted from 1910-14 base.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board October 25, 1957

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SUMMARY

Retail prices of farm-produced food products averaged 4 percent higher in the third quarter of 1957 than a year earlier. Advances in farm prices accounted for about one-fourth of the increase and higher marketing charges for three-fourths.

Average unit marketing charges for farm food products were 5 percent higher in the third quarter of this year than in the same period of 1956. This is considerably more than the average increase over a 12-month period in recent years. Marketing charges may rise further in 1958.

Prices received by farmers for these food products averaged 2 percent higher than in the third quarter of last year. Higher prices for hogs accounted for much of this increase.

The farmer's share of the consumer's retail food dollar is expected to average 40 cents this year. Unit marketing charges probably will average higher in 1958 than in 1957. Since farmers' prices for food products are expected to average about the same in both years, the farmer's share probably will be smaller next year.

Costs of performing marketing operations have risen this year and further increases are anticipated for 1958. Average hourly earnings of workers in marketing firms were up. Costs of containers, packaging material, coal and fuel oil, trucks, machinery, and many other things marketing firms buy were higher.

In recent months the Interstate Commerce Commission has approved substantial increases in rail freight rates. These increases, however, were less than those the railroads had requested. Railroad officials met in September to consider making a request for an additional freight-rate increase. No decision was reached, however, and no date was set for another meeting. Although several groups of regulated motor common carriers have announced their intentions to raise their rates, motor carriers generally seem to be hesitant about increasing rates at this time. The ICC also authorized freight forwarders and inland water carriers to increase their rates.

Total profits after taxes of firms in the food products and textile-mill products industries were smaller in the first half of this year than in the same period of 1956, but those of firms in the tobacco and apparel and related products industries were up. Average profit ratios of firms manufacturing these products were generally higher in 1956 than in 1955; those for leading food wholesaling and retailing companies also were up in 1956.

The quantity of farm products to be marketed in 1958 may be as large or larger than this year's large volume. A high level of consumer expenditures is expected to maintain the demand for marketing services. Processing and distribution facilities are expected to be adequate to handle the volume of farm products in prospect. Large investments in plant and equipment in recent years have substantially increased the capacity of plants manufacturing products from agricultural raw materials. During last year railroads added to their fleet of freight cars.

Special Features in this Issue

Average capacity per plant probably will continue to increase in many of the food-manufacturing industries and in some the number of plants may decrease further. The business of food wholesalers has continued to grow although direct buying by retailers from manufacturers probably has increased. Supermarkets are likely to gain a larger share of the retail food trade in the years ahead. These and other prospective developments and recent trends in the food-marketing industries are discussed in this issue (p. 17).

In its last session, the Congress amended the definition of "contract carrier by motor vehicle" and amended Section 22 of the Interstate Commerce Act. These and other measures affecting transportation are explained in the final article (p. 41).

RECENT TRENDS IN FOOD MARKETING CHARGES
AND OUTLOOK FOR 1958

:
: Farm-Retail Spreads for Food Products, United States Depart- :
: ment of Agriculture Miscellaneous Publication 741, is now in :
: press. This publication includes minor revisions in the :
: farm-food market-basket series. Market-basket data shown in :
: this issue are comparable with those shown in Miscellaneous :
: Publication 741. Copies will be sent to all names on the :
: mailing list for The Marketing and Transportation Situation :
: Others who wish copies should address requests to the Market- :
: ing Information Division, Agricultural Marketing Service, :
: Washington 25, D. C. In addition to the market-basket data, :
: this publication contains various other marketing statistics :
: and describes the methodology and basic data used in making :
: estimates. :
:

Marketing Charges Up Sharply

Charges for assembling, processing, and distributing farm food products rose in each of the first three quarters of 1957. (See table on inside of cover page.) Marketing charges for the "market basket" of farm-produced food products, as measured by the spread between the retail cost and farm value rose to an average annual rate of \$619 in the third quarter from \$607 in the preceding quarter and \$590 a year earlier. ^{1/} The increase from the third quarter last year was the second largest year-to-year increase since 1951. More than half of this increase resulted from a 16-percent rise for meat products. In the third quarter last year marketing charges for these products were at their lowest level for 1956, but in the same quarter this year they rose to a new high. (Components of the farm-retail spreads for beef and pork are given in tables 13 and 14, p. 44.) Marketing charges were higher than in the same period of 1956 for all product groups in the market basket except poultry and eggs, for which there was a 2-percent increase (table 17, p. 47).

Costs of performing marketing operations have risen during the year. (See p. 8 for an account of recent trends in marketing costs.)

^{1/} The "market basket" contains the average quantities of farm-produced food products purchased for consumption at home per urban wage-earner and clerical-worker family in 1952. Additional information concerning the contents of the market basket and methods of estimating market-basket data are given in "Farm-Retail Spreads for Farm Products," U. S. Dept. Agr. Misc. Pub. 741, 1957. Farm value is the payment farmers received for the farm products equivalent to the foods in the market basket.

Sales of retail food stores have increased this year, partly as a result of higher prices. Consumers, whose dollar incomes have been rising, apparently have offered little resistance to price increases.

Farm Value at Highest Level in 3 Years

The farm value rose from an average annual rate of \$395 in the second quarter to \$414 in the third -- the highest quarterly average since the third quarter of 1954. This was one of the few times in recent years when the farm value rose more than the farm-retail spread. The rise of about 5 percent was considerably larger than the normal seasonal increase of about 3 percent. Farm values of the meat products, dairy products, and poultry and eggs group were higher than in the preceding quarter (table 16, p. 46).

The farm value in the third quarter was 2 percent higher than in the same quarter last year, but was more than 10 percent below the 1947-49 annual average. Higher prices for hogs accounted for much of this rise.

Farmers received 40 cents of the consumer's food dollar in the third quarter, 1 cent more than in the preceding quarter, but 1 cent less than in the third quarter of 1956. ^{2/} Since World War II the annual average farmer's share has trended down from 52 cents in 1946 and 40 in 1956. The 1935-39 average was 40.

Higher Retail Cost

The average retail cost of the market basket of farm foods in the third quarter was \$1,033 (annual rate), up 3 percent from the previous quarter and 4 percent higher than a year earlier. ^{3/} Meat products accounted for most of the increase but all product groups except poultry and eggs and fruits and vegetables were higher than a year earlier (table 16, p. 46). This was the highest quarterly average since July-September 1953.

Prospects for 1958

Marketing charges in 1958 for the farm foods in the market basket are expected to average above the annual average of \$610 forecast for this year (table 1). The increase from the 1957 level probably will be considerably less than that between 1956 and 1957, which was much larger than the average rise in recent years. Wage rates probably will continue

^{2/} Estimates of the division of retail cost between farmers and marketing agencies are based on concurrent prices at the farm and retail levels, except for processed fruits and vegetables and sugar. During a period of rising prices, the farmer's share calculated on this basis is somewhat larger than the share derived by comparing prices received by farmers for particular lots of products with prices paid by consumers for the same lots after they have moved through the marketing system. The reverse is true in periods of declining prices.

^{3/} The retail cost of all foods bought per family is more than the retail cost of the "market basket" of farm foods, which does not include imported foods, fishery products and other foods of nonfarm origin, or costs of meals purchased in public eating places.

Table 1.- The farm food market basket: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1947-57

Year and month	Retail cost 1/ Dollars	Farm value 2/ Dollars	Farm-retail spread Dollars	Farmer's share Percent
1935-39 average	3/	3/	3/	40
1947	911	467	444	51
1948	982	497	485	51
1949	928	435	493	47
1947-49 average	940	466	474	50
1950	920	432	488	47
1951	1,024	497	527	49
1952	1,034	482	552	47
1953	1,003	445	558	44
1954	986	421	565	43
1955	969	395	574	41
1956	972	390	582	40
1957 4/	1,010	400	610	40
1956				
Jan.	947	369	578	39
Feb.	942	365	577	39
Mar.	942	373	569	40
Apr.	951	381	570	40
May	964	395	569	41
June	991	405	586	41
July	1,005	407	598	40
Aug.	988	403	585	41
Sept.	988	402	586	41
Oct.	987	398	589	40
Nov.	981	390	591	40
Dec.	979	389	590	40
1957				
Jan.	978	389	589	40
Feb.	988	380	608	38
Mar.	981	386	595	39
Apr.	992	395	597	40
May	1,000	391	609	39
June	1,014	400	614	39
July	1,029	410	619	40
Aug.	1,036	419	617	40

1/ Retail cost of average quantities of farm foods purchased per urban wage-earner and clerical-worker family in 1952, calculated from retail prices collected by the Bur. of Labor Statistics.

2/ Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

3/ Comparable dollar figures not available. The farmer's share and index numbers of the retail cost, farm value, and farm-retail spread for the years 1913-56 are published in "Farm-Retail Spreads for Food Products," U. S. Dept. of Agr. Misc. Pub. 741, 1957.

4/ Preliminary estimates.

: Current data are given in the Statistical Summary, :
: a monthly publication of the Agricultural Marketing Service.: :

upward. Prices of equipment, supplies, and other things marketing firms buy, which have generally risen this year, may average higher next year. Marketing firms may be able to offset prospective increases in prices and wages to some extent by improvements in efficiency.

The anticipated rise in the annual average marketing charges in 1958 is likely to mean a decrease in the farmer's share of the consumer's food dollar as prices received by farmers for food products are expected to average about the same in 1958 as in 1957.

COSTS AND PROFITS IN MARKETING FARM PRODUCTS

Labor Costs

The direct cost of labor, the largest single cost in marketing farm products, made up about half of the bill for assembling, processing, and distributing farm food products in 1956. ^{4/} Labor costs are an even larger part of the bill for marketing textile products.

Average hourly earnings of employees of food processing and distributing firms were \$1.90 in August 1957 (the latest month for which data are available), 6 percent higher than in the same month of 1956 (table 2). Earnings of employees in the tobacco manufactures industry averaged \$1.49 per hour compared with \$1.42 in August last year. Compared with a year earlier, average hourly earnings in August 1957 were up 4 percent in the textile-mill products industry, 1 percent in the apparel and other finished textile products industry, and 4 percent in retail apparel and accessories stores. ^{5/}

Other direct costs of employing labor have increased in recent years. These include employer contributions to social insurance and various "fringe benefits."

Labor costs per unit of output have risen less than hourly earnings. It is estimated that labor costs per unit of product handled by food marketing firms were 27 percent higher in 1956 than in 1947-49, but average hourly earnings were up 50 percent. The smaller gain in unit labor costs indicates that output per man-hour increased.

Wage rates in various industries generally advance together. In several of the larger industries and many small ones, wage agreements are to be negotiated next year.

^{4/} See "The Food Marketing Bill and its Components," The Marketing and Transportation Situation (MTS-126), July 1957.

^{5/} Average hourly earnings are calculated by dividing the total payroll by the number of hours worked. Changes in these averages reflect mainly changes in wage rates, but also changes in proportions of employees in relatively high-paid and low-paid jobs and premium pay for overtime and late-shift work.

Table 2.-- Average hourly earnings of employees of firms marketing food, tobacco, and textile products, 1939 and 1947-57

Year and month	Food marketing 1/	Tobacco manufactures 2/	Textile-mill products 2/	Apparel and other finished textile products 2/	Retail apparel and accessories stores 2/
	Dollars	Dollars	Dollars	Dollars	Dollars
1939	0.60	3/0.48	3/0.46	---	0.56
1947	1.13	.90	1.04	3/1.12	1.03
1948	1.22	.95	1.16	3/1.13	1.03
1949	1.28	.99	1.19	3/1.17	1.11
1950	1.34	1.07	1.24	3/1.20	1.12
1951	1.43	1.13	1.33	1.29	1.17
1952	1.51	1.17	1.36	1.30	1.22
1953	1.60	1.24	1.37	1.33	1.27
1954	1.66	1.30	1.36	1.35	1.31
1955	1.73	1.33	1.39	1.35	1.33
1956	1.81	1.45	1.45	1.45	1.37
1956					
Jan. ...	1.78	1.40	1.42	1.39	1.36
Feb. ...	1.78	1.39	1.42	1.39	1.33
Mar. ...	1.79	1.47	1.44	1.44	1.32
Apr. ...	1.80	1.49	1.43	1.44	1.35
May	1.81	1.50	1.44	1.43	1.37
June ...	1.81	1.52	1.44	1.45	1.38
July ...	1.82	1.51	1.44	1.46	1.37
Aug. ...	1.80	1.42	1.44	1.48	1.36
Sept. ..	1.81	1.38	1.45	1.48	1.40
Oct. ...	1.82	1.39	1.49	1.49	1.39
Nov. ...	1.85	1.45	1.50	1.48	1.38
Dec. ...	1.86	1.48	1.50	1.50	1.39
1957					
Jan. ...	1.87	1.49	1.50	1.49	1.41
Feb. ...	1.88	1.49	1.50	1.49	1.40
Mar. ...	1.88	1.53	1.50	1.50	1.38
Apr. ...	1.88	1.55	1.50	1.48	1.39
May	1.90	1.58	1.50	1.48	1.42
June ...	1.90	1.58	1.50	1.49	1.43
July ...	1.90	1.61	1.50	1.50	1.43
Aug. ...	1.90	1.49	1.50	1.50	1.41

1/ Weighted composite earnings in food processing and wholesale and retail food trades calculated by the Agr. Market. Serv. from data of the U. S. Dept. of Labor.

2/ U. S. Dept. of Labor.

3/ Not strictly comparable with data for later years.

Transportation Charges 6/

Railroad Freight-Rate Increases

The Interstate Commerce Commission, acting on the railroads' petitions in Ex Parte 206, authorized substantial increases in rail freight rates during the last year. In this proceeding the ICC had before it a petition from the railroads for increases in freight rates totaling 22 percent on all traffic in and between Eastern and Western Territories and 15 percent on movements to, from, and within Southern Territory.

Pending full-scale hearings, the ICC authorized, effective December 28, 1956, emergency increases of 7 percent in Eastern and 5 percent in Western Territory and on interterritorial movements. A similar 5 percent emergency increase was authorized for shipments in Southern Territory effective February 23, 1957. The emergency increases were authorized to help the railroads meet increased wages and payroll taxes and the higher costs of materials, supplies, and fuel.

The final decision effective August 26, 1957, authorized a total increase (including the emergency increases) of 14 percent on freight within and between Eastern and Western Territories; and a total of 9 percent on movements to, from, and within Southern Territory.

Holddowns on carload shipments of specified agricultural commodities and allied products (regardless of distance), were listed by the Commission among the exceptions to the general rate increases as follows:

<u>Commodity</u>	<u>Maximum increases authorized</u>
Edible nuts	12 cents per 100 pounds
Fresh and frozen fruits and vegetables, melons, canned and preserved food products (not cold pack or frozen) in packages	11 cents per 100 pounds
Sugar	7 cents per 100 pounds
Grain, grain products, grain byproducts, livestock, fresh meats, packinghouse products, lard substitutes, vegetable oil shortenings	9 percent
Building woodwork and millwork	10 cents per 100 pounds
Lumber and articles listed in tariff as taking lumber rates	9 cents per 100 pounds
Phosphate rock and salt	40 cents per net ton
Certain fertilizer materials	75 cents per net ton

In mid-September rail traffic executives met to explore the possibility of asking for a further general freight-rate increase. No decision was reached at that meeting and no further meetings have been scheduled.

6/ This section and the sections entitled "New Legislation Affecting Transportation" and "Freight Car Situation" were prepared by J. G. Nale-Povic, Transportation Economist, Transportation and Facilities Branch, Agricultural Marketing Service.

Motor Carriers

It has usually been the policy of the regulated motor common carriers, after a general rail freight-rate increase has been authorized, to increase their rates in about the same proportion. This time, although several motor-carrier conferences have indicated their intention of pursuing this policy, there is an indication of hesitancy among motor carriers to increase their rates pending reappraisal of their competitive position in the wake of the Ex Parte 206 increases.

Domestic Inland Water Carriers

The Commission also authorized the regulated water carriers to increase their freight rates to the same extent as the new railroad freight-rate increases under Ex Parte 206.

The barge lines associated with one water freight carriers' bureau will put into effect a 4-percent rate increase on November 6. The reasons given for the need for barge line rate increases were the mounting costs of labor, materials, and supplies.

Freight Forwarders

In conjunction with new Ex Parte 206 increases for railroads, the ICC authorized freight forwarders to increase their rates 11 percent in Eastern, 7 percent in Southern, and 9 percent in Western Territory and on all inter-territorial movements.

Other Costs

Costs of most of the things marketing firms buy rose in 1957 (table 3). Increases were particularly large for coal and fuel oil. Prices of containers and packaging materials also were up. Construction costs and prices of machinery continued to advance.

Interest costs have increased and depreciation charges, rents, State and local taxes, advertising, and other costs have risen.

Profits of Marketing Firms

Total net profits after taxes of firms manufacturing food and kindred products were about 10 percent smaller in the first half of this year than in the same period of 1956, according to joint reports of the Federal Trade Commission and the Securities and Exchange Commission. Profits of textile-mill products manufacturers were down by about a fifth from the total for the first 6 months of last year. But total profits of manufacturers of tobacco products and of apparel and related products in the first half were up more than 5 and 9 percent, respectively, from the first half of 1956.

Ratios of profits to sales and to stockholders' equity for leading food processing companies were about the same in 1956 as in 1955 (table 4). The 1955 rates were the highest since 1950.

Table 3.- Costs of equipment and supplies bought by marketing firms, 1950-57

(1947-49 = 100)								
Item	1950	1951	1952	1953	1954	1955	1956	1957 1/
Bituminous coal	105.5	105.9	105.9	108.4	102.4	102.0	112.6	121.6
Manufactured and natural:								
gas	98.2	100.7	103.7	107.8	108.8	111.2	115.1	116.5
Fuel oil	88.5	99.2	88.9	87.4	93.3	104.8	119.2	145.0
Electric power	100.1	98.1	98.9	99.1	101.8	97.0	94.2	95.0
Machinery and equipment :	110.3	123.5	122.6	125.3	128.2	134.0	147.5	156.4
Construction costs	106.5	115.4	119.1	121.8	121.6	124.9	130.7	136.0
Wax paper	103.9	122.8	124.4	118.0	117.9	124.1	135.1	137.9
Grocery bags	101.6	119.0	119.0	117.0	108.1	109.9	141.4	149.5
Container board (paper) :	102.8	117.8	115.6	117.2	119.9	119.9	123.7	125.0
Glass containers	112.8	121.8	125.0	134.4	141.1	142.9	150.4	157.9
Metal containers	109.2	121.1	122.0	127.3	130.6	132.9	141.6	150.2
Tin cans	109.0	125.1	126.2	130.1	132.2	133.2	142.1	150.5
Motortruck prices	104.5	113.1	116.2	115.0	113.8	118.0	127.2	133.0
Gasoline	109.3	114.9	114.6	120.4	114.8	114.6	118.0	124.6
Lubricating oils	77.7	102.4	99.2	83.7	71.1	73.2	87.4	97.4
Tires and tubes	113.6	133.9	129.8	127.2	130.6	144.9	152.3	149.5

1/ First 8 months.

Indexes published by Bureau of Labor Statistics, except index of construction costs which is published by the Department of Commerce.

Profit ratios for the five wholesale food distributors for which data are available were higher in 1956 than in 1955 (table 4). For eight of the leading chain food-store companies, profits as a percentage of sales were up slightly and profits as a percentage of stockholders' equity made a rather large advance in 1956. Both ratios were at the highest levels since 1950; in fact, profits before taxes were a larger percentage of stockholders' equity than in 1950.

As a percentage of sales, profits of five leading tobacco companies were the same in 1956 and 1955, but as a percentage of stockholders' equity profits after taxes were a little higher in 1956 (table 4).

Average profit rates for corporations manufacturing textile-mill products and apparel and related products were considerably higher in 1956 than in other recent years (table 5).

Table 4.- Net profits (before and after taxes on income) as percentage of stockholders' equity and as a percentage of sales, leading food and tobacco companies, average 1935-39 and 1947-49, annual 1950-56

Profits as percentage of stockholders' equity ^{1/}								
Year	51		5		8		5	
	food processing:		wholesale food:		retail food:		tobacco	
	companies		distributors		chains		companies	
	Before	After	Before	After	Before	After	Before	After
	taxes	taxes	taxes	taxes	taxes	taxes	taxes	taxes
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:								
1935-39:	8.8	7.4	---	---	10.2	8.4	17.3	13.9
1947-49:	19.2	11.5	25.2	15.5	28.1	17.0	23.1	13.8
1950 ...	21.0	11.5	17.2	10.0	26.1	13.8	25.2	13.1
1951 ...	17.9	8.5	17.9	9.5	20.7	10.0	24.8	9.9
1952 ...	17.3	8.1	11.6	5.4	22.0	9.8	23.0	9.5
1953 ...	19.7	9.2	13.8	7.1	24.4	11.0	25.6	10.1
1954 ...	18.2	8.8	13.8	7.5	22.4	10.9	23.0	10.5
1955 ...	20.0	10.1	12.6	6.7	22.5	10.7	26.1	11.9
1956 ...	19.9	10.2	15.0	7.6	27.0	12.8	26.1	12.0
Profits as percentage of sales								
Year	46		5		8		5	
	food processing:		wholesale food:		retail food:		tobacco	
	companies		distributors		chains		companies	
	Before	After	Before	After	Before	After	Before	After
	taxes	taxes	taxes	taxes	taxes	taxes	taxes	taxes
Average:								
1935-39:	3.7	3.0	---	---	1.8	1.5	11.3	9.1
1947-49:	3.8	2.3	2.7	1.7	2.3	1.4	8.2	4.9
1950 ...	4.6	2.5	2.1	1.2	2.4	1.2	9.8	5.1
1951 ...	3.6	1.7	2.1	1.1	1.8	.9	9.4	3.8
1952 ...	3.4	1.6	1.6	.7	1.9	.8	8.2	3.4
1953 ...	4.0	1.9	2.0	1.0	2.1	.9	9.7	3.8
1954 ...	3.8	1.8	1.9	1.0	2.0	1.0	9.5	4.3
1955 ...	4.3	2.2	1.7	.9	2.0	1.0	10.9	5.0
1956 ...	4.3	2.2	1.9	1.0	2.3	1.1	10.9	5.0

^{1/} Ratio of net profits to average of stockholders' equity at the beginning and end of the year. Stockholders' equity is excess of total balance sheet assets over liabilities.

Compiled from financial statements reported in Moody's Industrials.

Table 5.- Net profits (before and after taxes on income) as percentages of stockholders' equity and sales, corporations manufacturing textile-mill products and apparel and finished textiles, annual 1951-56

Profits as percentage of -								
Stockholders' equity				Sales				
Year	Textile-mill products		Apparel and related products		Textile-mill products		Apparel and related products	
	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1951:	19.8	7.1	9.9	3.0	7.9	2.9	2.1	0.6
1952:	9.7	3.6	10.9	4.5	4.2	1.6	2.4	1.0
1953:	9.8	3.9	11.3	5.0	4.7	1.9	2.6	1.2
1954:	5.2	1.5	10.0	4.5	2.7	.8	2.3	1.1
1955:	10.9	4.8	12.8	6.0	5.1	2.2	2.8	1.3
1956:	11.8	5.8	16.5	8.1	5.3	2.6	3.3	1.6

Computed from data in the "Quarterly Financial Report for Manufacturing Corporations," 1952-56 issues, published by the Federal Trade Commission and Securities and Exchange Commission.

THE OUTLOOK FOR MARKETING FACILITIES AND SERVICES

Continuation of the present strong demand for marketing services in the agricultural field is anticipated for 1958. A large volume of products to be marketed, a high level of consumer income, growth in the population, and the tendency to add marketing services per unit of product handled are expected to maintain and perhaps increase this demand.

Marketings of farm products this year will be close to the record volume in 1956. Production of farm products this year may equal the record output of 1956 and in 1958 probably will be near this year's large volume unless weather conditions are particularly unfavorable.

In the first 8 months of this year the production of manufactured food products equaled the large volume during the same period of 1956; but the production of textiles and apparel was slightly smaller and the output of tobacco products was a little larger than last year.

Consumer incomes and expenditures are expected to remain high next year. Consumers probably will spend about the same proportion of their income for food, tobacco, and clothing in 1958 as in 1957 and other recent years. ^{7/}

^{7/} See the May 1957 issue of this Situation (MTS-125) for an account of consumer expenditures in relation to income.

Outlays for plant and equipment by marketing firms remained at a high level in 1957. Many new stores, warehouses, and other distribution facilities were built and old facilities were modernized. Investments by food and beverage manufacturers in plant and equipment are expected to total 828 million dollars in 1957 compared with 799 million in 1956, according to the latest survey by the Department of Commerce and the Securities and Exchange Commission. But investments in the textile-mill products industry may decline to about 397 million dollars compared with 465 million last year. According to findings of the annual survey of business plans for new plant and equipment conducted in March and April 1957 by McGraw-Hill Department of Economics, manufacturing capacity in the food and beverages industry was 25 percent larger in 1956 than in 1950, and manufacturers in this industry anticipated enlarging their capacity by about 15 percent by 1960. ^{8/} Manufactures of textile-mill products had expanded their capacity by 23 percent and expected additions amounting to a little more than 10 percent of 1956 capacity by 1960.

Freight Car Situation

Current Situation and Outlook

The serious car shortages which took place in early fall of the past few years have not recurred this year. Instead, the railroads have consistently reported large surpluses during the past several months, although minor, temporary shortages have occurred in some areas.

As of the week ended October 12 of the current year, the average daily surplus was over 12,000 cars of which almost 6,000 were boxcars, over 5,000 refrigerator cars, and about 100 stock cars. Refrigerator car supply has not been a problem in the past few years and it is not expected to become one in the near future. Normally boxcar requirements begin to expand after Labor Day with peak loadings developing late in September or during October. This year such a pattern has not prevailed; reports show a continuing slump in carloadings. Carloadings of grain and livestock have been consistently lower week for week than they were at the same time last year. The livestock movement from southwestern and northwestern ranges has been delayed by an abundant supply of pasture feed. For the week ended October 12, 1957, livestock loadings were about 12,600 cars compared with over 15,000 in the same week in 1956. A record grain sorghum crop, estimated at more than twice last year's has not strained the car supply to date. The corn crop is expected to be 4 percent below that of last year. Although the sugar beet harvest in the West is larger than last year and represents a movement of about 165,000 gondola carloads, no difficulties are anticipated because of the short hauls involved and the quick car turn around associated with this operation.

Number of Cars on Hand and on Order

As of September 1, Class I railroads owned or controlled almost 1,814,000 freight cars of all types, more than 30,000 units above the number on the same date a year ago. The serviceable fleet on this date numbered 1,723,144 units. This included over 700,000 boxcars and 92,000 refrigerator cars, the types of cars most frequently used for carrying

^{8/} Business Week, Apr. 27, 1957.

agricultural commodities. In addition to the cars owned by Class I railroads and subsidiary carlines, the private refrigerator carlines reported over 22,000 refrigerator units owned as of September 1.

The total number of new freight cars of all types on order on September 1 was 74,473 units or about 33 percent less than on the same date in 1956. This included over 22,000 boxcars and some 2,700 refrigerator cars, a decrease of 48 and 43 percent, respectively, from the number on order at this time a year ago.

In the 12 months ended August 31, 1957, over 84,700 new units were installed, exceeding retirements by more than 30,000 units. The new installations included some 31,500 boxcars and 4,660 refrigerator cars.

THE FOOD MARKETING INDUSTRIES -- RECENT CHANGES AND PROSPECTS 1/

Since World War II the food-marketing industries in this country have changed in many ways. Large-scale retail units have displaced a much larger number of small stores. Retailing, wholesaling, and food manufacturing have become more integrated. Output of some new products has increased rapidly while production of some of the staple foods has declined. In many of the food-manufacturing industries output per plant has increased. Investments in new plant and equipment have been large. Perhaps the most significant trend has been the increasing attention given to research and product development, for the results of these efforts will have much to do with determining future trends.

Census data for 1954 and other recently published statistics make possible a new examination of some of these postwar changes. Many of the trends indicated by these data began before World War II and perhaps will continue for some years to come. This article considers some of the developments in food manufacturing, wholesaling, and retailing.

The Food-Manufacturing Industries

:
: Since 1947 the production of manufactured food products :
: has grown by about the same rate as the population. But :
: the number of plants in the food-manufacturing industries :
: has decreased, so average output per plant has increased. :
: Concentration of output in fewer plants probably has helped :
: to hold down unit production costs. In about half of these :
: industries the four largest firms accounted for a larger :
: share of the value of products shipped in 1954 than in :
: 1948. Total output of manufactured foods will continue to :
: grow by about the same rate as the population. Growth is :
: likely to be most rapid among the more highly processed :
: products. Average output per plant is expected to increase. :
:

Industries manufacturing food and kindred products have a less prominent place in the economy today than in earlier years. 2/ They no longer lead other manufacturing industries in number of employees and value added by manufacture. According to the Census of Manufactures, the food

1/ Prepared by Forrest E. Scott, Agricultural Economist, Market. Res. Div., Agr. Market. Serv.

2/ The Bureau of the Census includes 43 manufacturing industries in the food and kindred products group. The primary products of 28 of these industries are foods manufactured from farm-produced raw materials. Five of the 43 industries are in the beverage subgroup, 3 manufacture candy and related products, 3 process seafoods, 1 produces manufactured ice, 1 manufactures prepared animal feeds, 1 flavorings, and 1 leavening compounds. Plants processing fluid milk and distributing it to homes were included in the 1954 Census of Manufactures but not in the 1948 Census.

and kindred products industries had 1.7 million employees in 1955 compared with 1.8 million in the transportation-equipment industries, now the largest manufacturing industry group. This group includes industries manufacturing automobiles, trucks, airplanes, ships, boats, railroad locomotives and cars, and other transportation equipment. The value added by food and kindred products industries, which amounted to 14.4 billion dollars in 1955, ranked second to the 16.8 billion dollars added by the transportation-equipment industry. ^{3/} The food and kindred products group contributed 10.9 percent of the total value added by all manufacturing industries in 1955 compared with 12.1 percent in 1947.

Industries manufacturing food and kindred products now account for a slightly smaller share of the national income than in earlier years. It is estimated that in 1956 approximately 8.75 billion dollars or 2.5 percent of the national income originated in this group of industries compared with 2.9 percent in 1947 and 3.1 percent in 1939.

Recent Trends in Output

The production of manufactured food products in the United States was about 13 percent larger in 1956 than the average during 1947-49, according to the index of production published by the Board of Governors of the Federal Reserve System (table 6). ^{4/} The average annual rate of increase between 1947 and 1956 was 1.3 percent, slightly less than the rate of growth in the population. The output of all manufactured products increased by 44 percent between 1947-49 and 1956.

The increase of 13 percent in the output of manufactured foods is a composite of widely varying rates of change for individual products. Indexes in 1956 for the major product groups varied from 98 for bakery products (1947-49 = 100) to 133 for the meat products and canned and frozen foods (table 6). Variation between indexes for individual products was considerably wider -- from 84 for wheat flour to 151 for beef.

Data published by the Agricultural Marketing Service show a wide variation in the rate at which the output of other individual products has grown. ^{5/} The production of frozen foods increased fivefold from 1947 to 1956; during the same period production of canned baby foods increased 86 percent; oleomargarine, 84 percent; canned vegetables, 42 percent; and canned fruits, 38 percent. But the output of canned fruit juices decreased by 5 percent.

^{3/} Value added by manufacture "is derived by subtracting the cost of raw materials, semi-manufactured parts and components, supplies, fuels, purchased electric energy, and contract work, from the value of shipments of manufacturing establishments in each industry."

^{4/} The "value of shipments" data published in the Census of Manufactures reports do not provide satisfactory measures of changes in physical output because they reflect price changes and shipments between plants. Shipments may differ from production because of changes in inventories. The Census reports provide physical quantity data for most individual products but not for total shipments of industries.

^{5/} Consumption of Food in the United States, 1909-52, and supplements, U. S. Dept. Agr. Handbook 62, Sept. 1953.

Table 6.- Production of manufactured food products, 1947-56

(1947-49 = 100)										
Industry	:1947:	:1948:	:1949:	:1950:	:1951:	:1952:	:1953:	:1954:	:1955:	:1956:
Food manufactures	101	99	100	103	105	106	108	107	109	113
Meat products	103	96	100	105	110	114	115	117	128	133
Beef	108	94	98	99	92	100	129	135	142	151
Pork	101	98	101	107	117	119	104	103	116	119
Dairy products	104	98	98	99	96	98	105	106	107	110
Butter	101	92	107	105	91	92	108	110	105	107
Natural cheese	102	95	103	103	100	103	112	116	116	117
Concentrated milk ..	104	102	94	95	91	91	93	94	97	101
Ice cream	107	98	95	95	98	102	106	104	109	112
Canned and frozen foods	97	100	103	110	121	117	121	112	118	133
Grain-mill products ..	103	99	98	98	104	108	106	107	105	101
Wheat flour	112	102	86	82	84	84	81	81	83	84
Cereals and feeds ..	97	97	106	108	117	124	122	124	119	113
Bakery products	99	100	100	102	101	101	100	97	97	98
Sugar	105	93	102	115	100	104	113	117	115	122
Cane sugar	103	94	103	111	102	109	113	106	113	116
Beet sugar	112	91	97	117	101	94	108	121	111	121
Confectionery	99	102	99	104	102	102	102	99	101	107
Miscellaneous food preparations	101	99	99	98	97	100	104	105	106	105
Vegetable oils	88	101	111	111	112	110	116	118	124	132

Board of Governors of the Federal Reserve System.

Other products for which changes in production diverged widely from the average for food products are flour mixes and ready-to-serve cereal breakfast foods with increases in shipments of 32 percent and 30 percent, respectively, between 1947 and 1954; but shipments of other cereal breakfast foods decreased 12 percent. Shipments of machine-made cookies rose 35 percent. ^{6/}

Perhaps the largest change was in the production of eviscerated chickens, which was about 12 times larger in 1954 than in 1947. This increase reflects rapid growth in production of broilers during this period and a shift in processing from retail and wholesale establishments, not enumerated in the

^{6/} Percentage changes calculated from quantity data given in Census of Manufactures reports.

Census of Manufactures, to plants specializing in processing poultry. It also reflects a shift from New York dressed to eviscerated poultry. Output of eviscerated turkeys was about six times larger in 1954 than in 1947. 6/

Many of the rapidly growing products are comparatively new. In spite of their rapid growth, they are still relatively unimportant in the total output of the food-manufacturing industries. 7/ Furthermore, their growth has been partly offset by a reduction in the output of other products. The increase in the output of flour mixes, for example, was considerably smaller than the decrease in the production of white flour.

Prospects for Future Growth

A substantial growth in the output of manufactured food products in the years ahead seems assured, mainly as a result of growth in population. By 1965, the population of this country may exceed 190 million, according to the most recent projections of the Bureau of the Census. The population August 1, 1957, was estimated at 171.5 million.

Continuation of the movement of people from farms to nonfarm homes will expand the demand for manufactured food products. Farm families generally produce more of the meat, poultry, canned fruits and vegetables, and other processed foods they consume than do nonfarm families.

Output in the future will be greatly affected by developments in technology. Expenditures on research and product development by food manufacturing companies probably will continue large and are expected to result in new products and improvements in old products. New and improved "convenience" products that require little or no preparation in the home before serving are expected to make up a growing proportion of the output. Increases in the output of new products, however, will be offset to some extent by decreases in the production of other manufactured food products, for consumers will substitute the new products mainly for other manufactured products. But many new products probably will involve more processing per unit than those they displace, so value added per unit may increase.

The increase in the number of women working outside the home has been a factor in the rapid acceptance of convenience foods by consumers. In 1956, about 30 percent of the married women in this country were in the labor force compared with 21 percent in 1947. This trend is expected to continue.

7/ The Federal Reserve indexes are constructed by weighting quantity series by estimates of "value added in manufacture" based on data from the 1947 Census of Manufactures. These indexes reflect changes in the value added in manufacturing resulting from changes in the quantity of products manufactured. Frozen foods, flour mixes, and other new products account for only a small part of the value added by the food manufacturing industries. It is estimated that frozen foods accounted for between 2 and 3 percent of the total value added by the food-manufacturing industries, that is, those industries in the food and kindred products group other than the beverage industries.

Consumer demand for manufactured food products, particularly the convenience foods, will be affected by the level of consumer income. Real disposable income per person is expected to increase in the years ahead although cyclical fluctuations may occasionally interrupt the upward trend. 8/

Fewer Plants in Many Food-Manufacturing Industries

In the 30 industries whose primary products are foods manufactured from farm-produced raw materials, the total number of plants decreased from 31,829 in 1947 to 30,607 in 1954 (table 7). 9/ Decreases occurred in 17 of these industries and increases in 13. Relative increases were largest in the following industries: Poultry dressing plants (137 percent), special dairy products (35 percent), margarine (22 percent), and prepared meats (21 percent). Relative decreases were largest in the following industries: Raw cane sugar (40 percent), 10/ flour and meal (35 percent), creamery butter (34 percent), soybean oil mills (34 percent), cereal preparations (28 percent), and canned fruits and vegetables (22 percent).

Output increased between 1947 and 1954 in all but 1 or 2 of the 13 industries in which the number of plants increased. Perhaps expansion in consumer demand accounted for most of the increase in the number of plants in these industries.

Increases in the production of raw materials in a particular area may have caused new plants to open. The largest relative increases in the number of meat packing plants between 1947 and 1954 were in the Southeast, where the production of meat animals increased more rapidly than in other areas.

The increase of more than 100 percent in the number of poultry dressing plants accompanied a sharp increase in the production of broilers in specialized producing areas. The volume of production in these areas was sufficient for large plants to specialize in the dressing of poultry. Specialization and the equipment which these plants could afford to install gave them a competitive advantage over wholesale and retail dressing establishments, so they eventually received most of the broilers and turkeys. Live shipments of poultry decreased. 11/

8/ Daly, Rex F. "The Long-Run Demand for Farm Products," Agricultural Economics Research, VIII. 3: 73-91, July 1956.

9/ These 30 industries include 23 from the food and kindred products group and the cottonseed oil mills and soybean oil mills industries from the chemicals and allied products group. A major part of the output of these two industries is used in food products. The Census data are for establishments which in most instances are plants. An establishment is classified "in a particular industry if its production of the primary products of that industry exceeds in value its production of products of any other single industry." The total given above for 1947 contains 6,616 fluid milk plants enumerated in 1948.

10/ The raw cane sugar industry had only 82 plants in 1948, so the reduction of 40 percent involved only 33 plants.

11/ For a discussion of the advantages of specialized dressing plants see The Marketing and Transportation Situation for October 1954 (MTS-115) p. 26 and for October 1955 (MTS-119) p. 36.

Table 7.- Food manufacturing industries: Number of establishments, value of shipments, and value added by manufacture, 1954 and 1947

Industry	Establishments		Value of shipments		Value added by manufacture	
	1954	1947	1954	1947	1954	1947
	Number	Number	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Meat products						
Meat packing plants ...	2,367	2,154	9,905,687	8,969,876	1,394,486	977,144
Prepared meats	1/1,529	1,264	1/1,634,129	1,600,687	1/330,312	234,758
Poultry dressing plants:	1,309	553	1,257,892	478,993	206,175	67,840
Dairy products						
Fluid milk 2/	6,639	2/6,616	4,586,750	2/3,704,003	1,475,638	4/
Creamery butter	1,262	1,904	926,414	1,005,890	136,953	138,217
Natural cheese	1,419	1,738	551,159	469,127	83,716	65,062
Concentrated milk	359	451	638,212	781,395	170,566	156,739
Ice cream and ices	1,587	1,690	727,433	772,501	327,898	279,724
Special dairy products :	187	139	295,337	293,100	56,965	48,429
Canning, preserving, and freezing						
Canned fruits, vegetables, poultry, etc. :	1,758	2,265	2,228,947	1,640,754	830,019	608,768
Dehydrated fruits and vegetables	148	146	192,200	51,079	55,176	18,155
Pickles and sauces	717	742	481,507	357,860	140,925	121,129
Frozen fruits and vegetables 5/	266	291	417,140	155,076	148,517	59,377
Grain mill products						
Flour and meal	803	1,243	1,858,888	2,526,646	315,143	410,774
Cereal preparations ...	46	64	345,843	284,666	172,283	130,188
Rice milling	80	88	266,861	224,741	42,359	43,432
Flour mixes	131	123	254,136	78,442	103,134	24,249
Bakery products						
Bread and other bakery products 6/	6,103	6,796	3,067,017	2,403,589	1,568,933	1,908,012
Biscuits and crackers ..	311	326	757,193	540,222	408,254	264,973
Sugar						
Raw cane sugar	49	82	64,538	60,135	15,431	17,709
Cane sugar refining ...	23	25	864,113	818,430	138,971	98,112
Beet sugar	65	74	291,243	262,872	96,357	113,048
Miscellaneous industries						
Cottonseed oil mills 7/:	286	315	546,430	518,091	101,164	104,603
Soybean oil mills 7/ ..	88	133	826,362	585,709	106,938	105,291
Shortening and cooking oils	102	100	935,338	834,713	175,988	162,146
Margarine	33	27	192,343	214,598	42,467	43,750
Corn wet milling	58	55	458,442	459,978	176,696	127,143
Macaroni and spaghetti :	233	226	149,656	112,094	50,951	42,049
Foods not elsewhere classified	2,599	2,199	3,255,967	1,600,903	806,298	358,643

1/ Includes manufacturers' wholesale branches which manufactured prepared meats.

2/ Totals for fluid milk and fluid milk and other products industries.

3/ Data are for 1948.

4/ Not available.

5/ In 1947 this industry included plants engaged primarily in preparing frozen packaged seafood, hence, data for 1948 and 1954 are not strictly comparable. This industry does not include plants in which products are prepared for freezing in other plants.

6/ Does not include single-shop retail bakeries with baking on the premises.

7/ Not a part of food and kindred products industry.

Reduction in output probably explains much of the decrease in the number of plants in the flour and meal industry and in the concentrated milk industry. The latter industry is composed of plants producing evaporated and condensed milk and those producing dried milk products. Production of evaporated and condensed milk declined between 1947 and 1954, and the number of plants engaged primarily in producing those products decreased. But the output of dried milk products and the number of plants producing them increased.

Disappointment at the slow rate of growth in output probably was one cause of decreases in plant numbers in several industries. Output of products of the bread and other baking products industry and the ice cream industry made little if any growth between 1947 and 1954. Production in several other industries apparently grew rather slowly. 12/

Technological improvements have been a major reason for closing plants. Many could not compete with other plants in their industry without installing newly developed equipment or processes. Shortage of capital, overcapacity in the industry, an inadequate or uncertain supply of raw materials, and other unfavorable prospects for profitable operation have caused some plants to be closed rather than modernized. A plant might have to increase its scale of operations to make installation of the new equipment or processes feasible. The supply of raw materials or the markets for finished products might have been too small to permit an expansion in scale.

New technology in the form of solvent extraction accounted for much of the decrease in the number of plants processing soybeans and cottonseed. The new solvent-extraction mills recovered more oil from soybeans and cottonseed than the hydraulic press and screw press mills. Their superior recovery rate gave solvent-extraction mills a competitive advantage. Also, these mills were larger than the other mills, as a relatively large volume is needed for efficient use of the solvent-extraction process. Thus, fewer mills were needed and many of the older type mills were closed.

Technological improvements, obsolescence, and overcapacity accounted for the sharp decrease in the number of raw sugar mills. Most of the mills closed were small.

Mergers of companies accounted for some closings: According to a count made by the Federal Trade Commission of mergers reported in financial publications, 243 firms were merged with 100 firms manufacturing food and kindred products during 1948-54. 13/ In 1955 and 1956, 146 companies in the food

12/ It is not always possible to determine from Census data whether output of an industry increased or decreased. The value of shipments is the only figure given by the Census relating specifically to the output of a particular industry; it was pointed out earlier (p. 18) that these figures are unsatisfactory measures of physical output. Data relating to value and quantity of a particular product include shipments by plants in industries other than the industry for which the product is a primary product. For example, a large part of the output of ice cream is shipped by plants in the fluid milk and other products industry. A few products are primary to more than one industry.

13/ Report on Corporate Mergers and Acquisitions, Federal Trade Commission, May 1955.

and kindred products group were merged with other companies, according to more recent counts by the FTC. The companies involved in these mergers were large. No doubt many mergers of smaller companies occurred that were not reported in the financial publications from which the FTC made its counts. For example, one researcher found in six of the leading dairy industry journals and other sources, accounts of dairy-product processors' acquisitions during 1948-54 of 1,062 firms -- 965 more than the number reported in the sources which the FTC consulted. ^{14/} The number of companies decreased -- partly because of mergers -- in all but 3 of the 17 industries in which the number of plants decreased. Mergers frequently are followed by concentration of production in fewer plants and the closing of less efficient or less well located plants.

The number of cheese factories, creameries, evaporated milk plants and ice cream plants has declined for years. Improvements in transportation facilities for both raw materials and finished products and the need to reduce costs by fuller utilization of plants capacity and by economies of scale caused the closing of many of these plants. ^{15/}

Increase in Size of Plant

Average output per plant increased in many of the food manufacturing industries between 1947 and 1954. In 17 of the 30 industries the number of plants decreased, but the volume of production apparently decreased in only a few. Output seems to have increased in all but one or two of the industries in which more plants appeared.

The average capacity per plant probably increased between 1947 and 1954 in most of the food manufacturing industries. In the 20 food manufacturing industries for which comparable data are available for 1947 and 1954, the number of large plants, those employing 100 or more workers, increased by 132, but those employing fewer than 100 decreased by 1,013 (table 8). There were a few more of the very large plants -- those with 500 or more employees -- in 1954 than in 1947. The proportion of large plants increased from about 11 percent of the total number in 1947 to approximately 13 percent in 1954, but medium size plants (20-99 employees) decreased from 30 percent to 27 percent. The proportion of small plants (fewer than 20 employees) was about the same in both years.

The number of small plants increased in 8 industries; in all except 2 of these 8 the total number of plants in the industry increased. There were 568 more small poultry dressing plants in 1954 than in 1947. The number of plants in this industry increased by 752 during the same period.

Comparable 1947 and 1954 data relating to plants by size of work force were not available for the 7 dairy products industries. Data published by the Department of Agriculture show that the average output of these plants has increased in recent years.

^{14/} Willard F. Mueller, "A Comment on FTC's Report on Mergers with Special Reference to Dairy Mergers," Journal of Farm Economics, Vol. XXXIX, Feb. 1957, pp. 140-52.

^{15/} For a discussion of factors causing decreases in numbers of dairy plants and increases in output per plant, see the April 1953 issue of this Situation (MTS-109).

Table 8.- Number of food manufacturing establishments, by size of work force, 1954 and 1947

Industry and year	Total establishments	Establishments with an average of -			
		1-19 employees	20-99 employees	100-499 employees	500 or more employees
	Number	Number	Number	Number	Number
Meat packing plants					
1954	2,367	1,434	627	220	86
1947	2,153	1,321	559	187	86
Poultry dressing plants					
1954	1,309	816	348	144	1
1947	557	243	265	43	1
Canned fruits, vegetables, poultry, etc.					
1954	1,753	760	715	254	29
1947	2,265	1,027	926	285	27
Dehydrated fruits and vegetables					
1954	148	84	42	21	1
1947	146	96	40	10	---
Pickles and sauces					
1954	717	497	161	53	1
1947	743	494	200	46	3
Flour and meal					
1954	803	543	175	80	5
1947	1,243	860	284	93	6
Cereal preparations					
1954	46	19	13	8	6
1947	64	34	14	10	6
Rice milling					
1954	80	22	51	7	---
1947	88	29	49	10	---
Flour mixes					
1954	131	97	21	11	2
1947	122	91	23	8	---
Bread and other bakery products					
1954	6,103	4,079	1,371	611	42
1947	6,797	4,473	1,747	534	38
Biscuits and crackers					
1954	311	143	78	62	23
1947	326	139	84	78	25
Raw cane sugar					
1954	49	6	37	6	---
1947	82	19	49	14	---
Cane sugar refining					
1954	23	---	4	5	14
1947	25	1	3	6	15
Beet sugar					
1954	65	---	5	59	1
1947	74	---	8	65	1
Shortening and cooking oils					
1954	102	51	14	35	2
1947	100	49	22	27	2
Margarine					
1954	33	3	20	10	---
1947	27	6	15	6	---
Corn wet milling					
1954	58	37	9	3	9
1947	55	34	9	4	8
Macaroni and spaghetti					
1954	233	149	64	20	---
1947	226	135	69	21	1
Cottonseed oil mills					
1954	286	43	219	19	---
1947	315	53	246	16	---
Soybean oil mills					
1954	88	19	50	13	1
1947	133	55	63	14	1
Total					
1954	14,710	8,807	4,024	1,651	228
1947	15,541	9,169	4,675	1,477	220

Compiled from Census of Manufactures, 1954 and 1947

The average number of employees per plant increased between 1947 and 1954 in 14 of the 20 industries. These averages, however, cannot be regarded as particularly significant because the variation in the size of the plants in an industry was so wide and there was no grouping of plants about the average.

The number of persons employed in a plant does not provide an entirely satisfactory indication of its capacity. A plant may not be operating at its full capacity when employees are counted. Furthermore, improvements in labor productivity may enable a plant to turn out more products without an increase in work force.

Two-thirds of the plants in the 30 food manufacturing industries in 1954 were small plants; that is, they employed fewer than 20 workers. In 17 industries, one-half or more of the plants were in the small size group. Yet of the total value the 30 industries added by manufacture, small plants accounted for only 8 percent. In all but 9 of the 30 industries, small plants contributed less than 10 percent of the value added. The maximum percentage of total value added that small plants contributed was 37 percent in the natural cheese industry.

Prospective Changes in Plant Numbers and Size

Changes in technology and marketing practices and the need to reduce delivery costs and to obtain economies of scale and fuller use of plant capacity probably will continue to cause a reduction in the number of plants and an increase in plant size in some food industries. The proportion of small plants probably will decrease, as closings will be most frequent in that size class. Additional capacity will be required in most of these industries to produce the products that will be needed by the growing population. Much of the added capacity perhaps will be in large plants.

The significance of changes in plant numbers and size is in their effects on unit marketing costs and on the competitive situation. Increases in scale and fuller use of plant capacity resulting from past reductions in number of plants probably aided in holding down advancing costs. Much more information than is now available would be needed to evaluate the effect on competition.

Type of Organization and Ownership

In most food manufacturing industries a large proportion of the plants are single-unit establishments; that is, each is operated by a company that has no other establishment. In 1954 the proportion of single-unit plants ranged from 9 percent in the beet-sugar industry to about 90 percent in the fluid milk, meat packing, and prepared meats industries. More than four-fifths of the total number of plants in these 30 industries were single-unit establishments. Multiunit plants were in the majority in only the concentrated milk, cane-sugar refining, beet-sugar, shortening and cooking oil, margarine, cottonseed oil, and soybean oil industries.

Although multiunit plants were less than one-fifth of the total number of plants in the 30 food manufacturing industries, no doubt they accounted for well over half the total value added by manufacture. For

the food and kindred products group of industries, multiunit plants accounted for nearly two-thirds of the total value added in 1954 though they represented less than one-fifth of the total number of plants.

Unincorporated firms operated slightly more than half of the plants in the 30 industries. Yet unincorporated firms owned the majority of plants in only the meat packing, poultry dressing, creamery butter, natural cheese, fluid milk, dehydrated fruits and vegetables, and bread and related products industries. These 8 industries, however, had more than three-fifths of the total number of plants in the 30 industries. The percentage of corporate plants in the 30 industries ranged from 33 percent in the natural cheese industry to 98 percent in the beet-sugar industry. Corporations owned more than half of the multiunit plants in every one of the 30 industries.

In the food and kindred products group corporations owned 49 percent of the plants in 1954, but these plants accounted for 89 percent of the value added.

Of the plants owned by unincorporated firms in 1954, 58 percent were owned by individual proprietorships and 36 percent by partnerships. Plants owned by cooperatives and those operated by estate administrators, trusteeships, receiverships, and public and quasi-public organizations made up the remaining 6 percent.

Fewer Companies in Many Industries

The number of companies declined between 1947 and 1954 in 15 of the 25 food manufacturing industries for which comparable data are available (table 9). Decreases ranged from 1 percent in the dehydrated fruits and vegetables and shortening and cooking oil industries to 48 percent in the soybean oil industry. The number of plants decreased in 13 of these 15 industries.

Increases in the number of companies in the other 10 industries ranged from 1 percent in the pickles and sauces industry to 260 percent in the poultry dressing industry. Other industries in which increases exceeded 10 percent were: Special dairy products (67 percent), margarine (18 percent), and corn wet milling (15 percent). The number of plants increased in 7 of these 10 industries.

Some companies operated plants in more than one of these industries. For that reason, the total for the group cannot be obtained by adding the individual industry totals.

Concentration in the Food Manufacturing Industries

In 9 of the 30 food manufacturing industries the 4 largest companies in each industry accounted for 50 percent or more of their industry's total value of shipments in 1954, according to data recently published

Table 9.- Food manufacturing industries: Number of companies in industry and share of total shipments accounted for by largest companies, 1954 and 1947

Industry and year	Concentration ratio:						Indexes
	Percentage 1/ of value of						
	shipments accounted for by -						
	Companies:	4	8	20	Primary product:	Coverage	
		largest companies:	largest companies:	largest companies:	special-ization:	2/ 3/	
	Number	Percent	Percent	Percent	Percent	Percent	
Meat packing plants							
1954	2,228	4/ 39	4/ 51	4/ 60	98	87	
1947	1,999	41	54	63	5/	5/	
Prepared meats 6/							
1954	1,254	16	24	35	83	28	
Poultry dressing plants							
1954	1,189	17	23	33	96	97	
1947	330	32	40	58	83	88	
Creamery butter							
1954	1,172	16	24	34	74	77	
1947	1,432	13	24	32	79	84	
Natural cheese							
1954	1,220	25	30	39	83	74	
1947	1,313	27	32	40	84	83	
Concentrated milk							
1954	166	55	68	80	82	68	
1947	182	50	63	76	84	77	
Ice cream and ices							
1954	1,375	36	45	57	93	70	
1947	1,273	40	48	57	90	87	
Special dairy products							
1954	162	66	75	88	91	56	
1947	97	62	75	91	91	5/	
Fluid milk 6/							
1954	1,678	22	28	36	82	94	
Fluid milk and other products 6/							
1954	4,572	23	29	36	82	94	
Canned fruits and vegetables							
1954	1,461	23	39	52	90	94	
1947	1,856	27	35	46	91	94	
Dehydrated fruits and vegetables							
1954	119	48	69	87	95	97	
1947	120	56	71	86	96	90	
Pickles and sauces							
1954	642	33	48	61	80	75	
1947	637	33	43	59	88	69	
Frozen fruits and vegetables 6/							
1954	215	39	55	71	83	84	
Flour and meal							
1954	692	40	52	68	94	84	
1947	1,084	29	41	57	92	92	
Cereal breakfast foods							
1954	37	88	95	99	77	80	
1947	55	79	91	98	63	87	
Rice milling							
1954	65	41	60	81	99	100	
1947	75	33	48	72	100	100	
Flour mixes							
1954	123	73	82	92	71	7/ 45	
1947	115	41	60	78	81	7/ 17	
Bread and related products							
1954	5,470	20	31	40	93	99	
1947	5,935	16	26	36	93	99	

Continued -

Table 9.- Food manufacturing industries: Number of companies in industry and share of total shipments accounted for by largest companies, 1954 and 1947 - Continued

Industry and year	Concentration ratio: Percentage ^{1/} of value of shipments accounted for by -						Indexes Primary product specialization: Coverage ^{3/}
	Companies	4	8	20	Primary product	special-	
	Number	Percent	Percent	Percent	Percent	Percent	
Biscuits and crackers							
1954	262	71	77	85	97	93	
1947	249	72	78	86	96	93	
Raw cane sugar							
1954	43	40	52	78	96	97	
1947	77	36	45	66	97	100	
Cane-sugar refining							
1954	16	67	86	100	100	100	
1947	17	70	88	100	100	100	
Beet sugar							
1954	15	66	96	100	99	100	
1947	17	68	94	100	100	100	
Shortening and cooking oil							
1954	67	55	80	99	85	89	
1947	68	59	81	99	82	96	
Margarine							
1954	20	48	78	100	90	62	
1947	17	64	90	100	81	73	
Corn wet milling							
1954	54	75	93	99	91	96	
1947	47	77	95	99	83	96	
Macaroni and spaghetti							
1954	226	26	37	58	98	95	
1947	219	23	35	56	98	99	
Cottonseed oil mills							
1954	145	47	57	72	96	93	
1947	172	43	55	68	90	90	
Soybean oil mills							
1954	55	41	64	89	83	96	
1947	105	44	63	81	96	80	
Food preparations not elsewhere classified ^{6/}							
1954	2,357	33	42	55	94	86	

^{1/} Percentages are sums of value of shipments of 4 largest (or 8 or 20) companies divided by the total value of shipments of the industry.

^{2/} Primary product specialization index is calculated by dividing the total value of the products primary to the industry by that industry's total value of shipments.

^{3/} Coverage index is calculated by dividing the value of the shipments an industry makes of its primary products by the total value of all shipments of those products, including shipments made by other industries.

^{4/} Concentration ratios are based on value added by manufacture because the value of shipments contains a substantial and unmeasurable amount of duplication arising from interplant shipments.

^{5/} Not available.

^{6/} Data not available for 1947.

^{7/} Products of the flour mix industry are also primary products of the flour and meal industry.

Compiled from Concentration in American Industry, Report of the Subcommittee on Antitrust and Monopoly to the Committee on the Judiciary, United States Senate, Eighty-fifth Congress, First Session, 1957.

by the Senate Subcommittee on Antitrust and Monopoly. 16/ The highest degree of concentration was in the cereal breakfast foods industry, in which the four largest companies had 88 percent of the total value of shipments (table 9). Other industries in which the concentration ratio -- the percentage of the total value of shipments made by the four largest companies -- was higher than 70 percent were: Corn wet milling, 75 percent; flour mixes, 73 percent; and biscuit and crackers, 71 percent. The primary products of these four industries are marketed under nationally advertised brands; also the number of companies in each industry is relatively small. The least concentration was in the creamery butter industry, which had a concentration ratio of 16 percent.

Perhaps the reader should be reminded that other foods may be substituted for the products of each of the food manufacturing industries. Substitution appears to be particularly easy for the food products for which concentration ratios were highest.

Concentration in most industries did not change appreciably between 1947 and 1954. Comparable data for these 2 years are available for 25 of the 30 food manufacturing industries (table 9). In 12 of the 25 the percentage of the value of shipments made by the 4 largest companies increased and in 13 it decreased. But only 7 of these changes exceeded 5 percentage points. The largest change was in the flour mixes industry in which the 4 largest companies increased their share from 41 to 73 percent. 17/ The next largest increase was in the flour and meal industry -- from 29 to 40 percent. The largest decrease was in the margarine industry in which the share of the 4 largest companies dropped from 64 percent in 1947 to 48 percent in 1954.

The concentration ratio for the products of an industry may differ from the ratio for the industry itself. Thus, the concentration ratio for cereal breakfast foods is 78 percent but the ratio for the cereal breakfast foods industry is 88 percent. The ratios are different because plants outside that industry produce cereal breakfast foods. The coverage index (table 9) shows that the cereal breakfast foods industry accounted for 80 percent of the value of all cereal breakfast foods shipped; other industries accounted for 20 percent. The index of primary product specialization (table 9) shows that cereal breakfast foods made up 77 percent of the value of products shipped by that industry. 18/

16/ Concentration in American Industry, Report of the Subcommittee on Antitrust and Monopoly to the Committee on the Judiciary, United States Senate, Eighty-fifth Congress, First Session. This report calls attention to the limitations of the data presented. Among these limitations are:

1. All the concentration ratios relate to the United States as a whole, but markets for many products are regional or even local.
2. The concentration ratios are based on the value of shipments from domestic plants. No allowance is made for imports or exports.

17/ The 4 largest companies in 1954 were not necessarily the 4 largest in 1947.

18/ The recent report on concentration also gave the shares the largest 4, 8, and 20 companies had in the total value of shipments of individual products in 1954. These "product data" differ from the "industry data" given in table 4 in that they relate to shipments of a specific product or class of products rather than to the shipments of an industry. In most instances the product ratio does not differ appreciably from the corresponding industry ratio.

Wholesale Trade in Farm and Food Products

:
: Assemblers of farm products operated fewer establishments :
: although they probably handled a larger volume in 1954 :
: than in 1948. Changes in marketing practices and efforts to :
: reduce costs by economies of scale and technological improve- :
: ments mainly accounted for the decrease in the number of :
: establishments. Terminal market dealers in the two principal :
: food raw materials -- grains and livestock -- operated more :
: establishments in 1954 than in 1948 and generally had a :
: larger volume of sales. The wholesale trade in food products :
: expanded between 1948 and 1954 -- both in volume of sales and :
: in establishments. :
:

Assemblers of Farm Products

Assemblers buy or receive products directly from farmers. Those who handled farm food products operated fewer establishments in 1954 than in 1948, although they probably handled a larger quantity of products in 1954 than in the earlier year.

Slightly fewer establishments were handling fruits and vegetables in 1954 than in 1948 and 17 percent fewer were handling dairy and poultry products. ^{19/} Dollar sales for these establishments were larger in 1954 than in 1948 (table 10). These increases must have been caused by expansion in the quantity of products sold, because prices were considerably lower for poultry and dairy products in 1954 and were only slightly higher for fruits and vegetables.

The number of establishments handling livestock declined 11 percent between 1948 and 1954. Dollar sales and prices of livestock both were down about 14 percent in 1954 compared with 1948, so assemblers probably handled about the same quantity of meat animals in both years.

Dollar sales made by establishments assembling grain declined considerably more than grain prices between 1948 and 1954. But much of the reduction in sales resulted from the fact that assemblers did not buy and sell a considerable part of the grain they received in 1954 but handled it for farmers who had price-support loans and purchase agreements. The volume of grain handled may have been as large in 1954 as in 1948. The number of establishments was down 19 percent in 1954.

The number of establishments handling these farm products -- dairy and poultry products, fresh fruits and vegetables, grain, and livestock -- also declined between 1939 and 1948.

Why Fewer Establishments? The reduction in the number of establishments was in part a long delayed adjustment to improvements in transportation

^{19/} Some establishments handled more than one group of products. Percentages refer to the number engaged primarily in handling the designated products.

Table 10.- Wholesale food trade: Number of establishments, total sales, and average sales per establishment, 1954 and 1948

Type of operation and kind of business	Establish- ments		Total sales		Average sales per establishment	
	1954	1948	1954	1948	1954	1948
	No.	No.	Mil. dol.	Mil. dol.	1,000 dol.	1,000 dol.
Assemblers of farm products:						
Dairy, poultry products	2,087	2,522	1,392	940	667	373
Fresh fruits, vegetables	1,993	2,032	1,288	1,087	646	535
Grain	6,613	8,120	3,226	4,129	488	508
Livestock (except horses, mules)	1,090	1,221	1,771	2,059	1,625	1,686
Other dealers in grain and livestock:						
Grain merchants	975	378	3,990	3,051	4,092	8,071
Livestock distributors	669	207	888	407	1,327	1,966
Agents and brokers:						
Grain	230	293	1,129	1,470	4,909	5,017
Livestock	2,223	1,745	7,558	7,173	3,400	4,111
Merchant wholesalers:						
Grocery wholesalers -						
General line	3,320	4,253	7,354	5,772	2,215	1,357
Specialty line	6,950	5,458	4,608	2,719	663	498
Meat, meat products	4,357	3,200	2,866	1,977	658	618
Dairy, poultry products	4,941	4,839	2,815	2,689	570	556
Fresh fruits, vegetables	6,520	6,127	3,262	3,170	500	517
Sales branches and offices of manufacturers of food and kindred products ^{1/}	4,231	4,224	9,591	8,535	2,267	2,021
Merchandise agents, brokers:						
Groceries	2,678	2,401	6,901	4,518	2,579	1,882
Meats, provisions (except canned)	97	58	521	571	5,371	9,845
Dairy, poultry products	214	151	516	368	2,411	2,437
Fruits, vegetables	893	805	1,591	1,295	1,782	1,609
^{1/} Groceries, meats, confectionery.						

Compiled from Wholesale Trade, 1954 Census of Business.

facilities. When roads were improved and the use of motortrucks became common, farmers no longer needed an assembly establishment within a few miles of their farms. Larger establishments became feasible, because they could draw products from a wide area. Thus, additional economies of scale were possible. Furthermore, the area of competition for assemblers was enlarged. All these factors operated to reduce the number of establishments.

Though the overall volume of each of these products -- milk and cream, poultry and eggs, fruits and vegetables, grain, and livestock -- probably has not decreased, the volume handled by assemblers in some areas had decreased. This has been a reason for closing some plants. In some areas, for example, marketings of chickens and eggs have decreased. Total marketings of these products have risen because production has increased in specialized producing areas. The assembly establishments in these areas generally are comparatively new and larger than those in other areas.

Changes in marketing practices have adversely affected the business of some assemblers. In recent years some milk assembly plants have closed because tank trucks have been used to haul milk from more and more of the farms. When milk is hauled in a tank truck rather than in 10-gallon cans carried by a van truck, it is practicable to haul it considerably farther. For that reason, direct hauling from farms to processing plants has increased. Also, hauling of milk to more distant assembly plants has decreased the need for some of these plants. The reduction in marketings of farm-separated cream has caused the closing of many cream receiving stations. Whole milk, which more and more farmers are selling instead of cream, is more likely to be delivered directly to a creamery. It is reported that producers are hauling increasing quantities of grain directly to terminal or subterminal elevators rather than to local elevators or warehouses. Also, direct deliveries of livestock from farms to packinghouses may have increased.

Other Dealers in Grain and Livestock

Grain merchants, agents, and brokers -- located mostly in terminal markets -- buy from assemblers in local markets or from other wholesalers. In 1954, grain merchants made about one-fourth of their sales to wholesale organizations, about one-fourth for export, and slightly more than two-fifths to industrial users. Agents and brokers, however, made about one-half of their sales to industrial users, about one-third to wholesalers, about one-tenth for export, and nearly one-twentieth to retailers.

Dollar sales of grain merchants rose substantially between 1948 and 1954, and the number of establishments they operated increased by about three-fifths (table 10). Since prices of grain were a little lower in 1954 than in 1948, the quantity of grain handled must have increased. The number of establishments operated by grain brokers and agents also increased, but the dollar value of grain handled decreased.

Livestock distributors, agents, and brokers receive meat animals from country assemblers and other dealers. These distributors in 1954 made about two-fifths of their sales to industrial users, one-fifth to farmers, and one-fourth to other wholesalers. Agents and brokers made more than one-half of their sales to industrial users, about 10 percent to farmers, and about one-third to wholesalers.

Dollar sales of livestock distributors more than doubled between 1948 and 1954 and the number of establishments they operated tripled (table 10). Agents and brokers handling livestock operated about 25 percent more plants in 1954 than in 1948, but their dollar sales had increased by only about 5 percent.

The Wholesale Food Trade

The idea that the wholesale food trade is disappearing as a result of direct buying by retail stores is not supported by Census data. Dollar sales increased substantially in most lines of food wholesaling between 1948 and 1954 (table 10). Price advances contributed to part of the expansion in dollar sales but in most lines the quantity of products handled must have increased. More establishments appeared in nearly all lines -- another indication that the wholesale food trade has grown. Wholesalers, however, may not have handled as large a share of the products bought by food retailers, restaurants, and other customers in 1954 as in 1948. During this period these outlets increased their total purchases substantially.

In the wholesale grocery trade, dollar sales of general-line merchant wholesalers did not increase as much as those of specialty-line wholesalers, nor as much as sales made by brokers and agents. Data relating to manufacturers' sales branches and offices in 1948 and 1954 are not strictly comparable but from the data available it appears that sales made by these establishments increased least of all.

Merchant wholesalers who carried a general line of groceries had only a little more than three-fourths as many establishments in 1954 as in 1948. The number of manufacturers' branches having stocks decreased between 1948 and 1954, but this reduction was offset by an increase in manufacturers' sales offices that had no stocks. Other grocery wholesalers operated more establishments in 1954 than in 1948.

Although their sales decreased relative to those of specialty-line merchant wholesalers and agents and brokers, general-line merchant wholesalers were the largest factor in the wholesale grocery trade -- with about 31 percent of the total sales in 1954. Specialty-line merchant wholesalers had 19 percent; agents and brokers, 29 percent; and manufacturers' branches and sales offices, 21 percent. 20/

In 1954, sales made by establishments sponsoring, or affiliated with sponsors of, voluntary organizations of independent retail food stores accounted for 17 percent of all sales made by general-line merchant wholesalers, and establishments owned and operated cooperatively by groups of independent food retailers buying collectively had about 6 percent. Each type of establishment had a share larger than in 1948. Cash-and-carry food depots, with about 9 percent of the total in 1954, had a little smaller share than in 1948. Establishments of other general-line merchant wholesalers had 68 percent of the total, compared with 70 percent in 1948.

20/ In calculating these percentages 5,046 million dollars has been used for total sales of grocery manufacturers' branches and offices rather than the 9,591 million dollars shown in table 10. The former figure includes sales of canned, preserved, and frozen foods, grain mill products, bakery products, and "other foods." A comparable total for sales of these products in 1948 could not be obtained from published reports.

Distribution of Sales.- The 1954 Census of Business provided information concerning the distribution of sales made by wholesale establishments. In the wholesale grocery trade, general-line merchant wholesale establishments made, on the average, about 90 percent of their sales to retailers and about 10 percent to other buyers, mainly industrial and commercial users and other wholesalers. Specialty-line grocery wholesalers, on the average, made approximately one-third of their sales to retailers, one-third to other wholesalers, one-fourth to commercial and industrial users, and the remainder to exporters and other buyers. About two-thirds of the sales of groceries made through agents and brokers were to other wholesalers, one-fifth was to commercial and industrial users, and a little more than one-tenth to retailers.

Approximately 50 percent of the sales of merchant wholesaler establishments specializing in dairy and poultry products were made to retailers, 30 percent to other wholesalers, and about 14 percent to commercial and industrial users. Sales made through agents and brokers specializing in these products were divided about equally between these three types of buying.

In the fresh fruit and vegetable trade, merchant wholesaler establishments made more than half their sales to retailers, about a third to other wholesalers, and about a tenth to commercial and industrial users. Agents and brokers made slightly more than three-fourths of their sales to other wholesalers, 13 percent were made to retailers, 6 percent to commercial and industrial users.

The Retail Food Trade

:
: Supermarkets are expected to gain a larger share of the :
: retail food store trade in the years ahead. The number will :
: continue to increase, especially in suburban areas. Since :
: 1948, this number has about doubled and their sales volume :
: has increased at an even greater rate. But the number of :
: smaller grocery stores and specialty food stores has declined :
: by about one-fifth. Even their total sales volume has :
: dropped slightly. Chain grocery stores have gained a larger :
: share of the total retail food store sales. More than half :
: of the chain grocery stores are supermarkets. Sales of the :
: smaller chains have grown more rapidly than those of the 12 :
: largest chain store companies. :
:

Grocery Stores

Grocery stores accounted for about 90 percent of the sales made by retail food stores in 1954, a slightly larger percentage than in 1948. This increase continues a long-term trend. In 1929, grocery stores had slightly more than two-thirds and in 1939 about three-fourths of the total retail food store sales. Grocery stores gained a greater share, mainly because of the growing number of supermarkets. ^{21/} These large-scale, self-service grocery stores, which first appeared in the 1930's carried a wide

^{21/} The term "supermarket" is used here to include grocery stores having an annual sales volume of \$500,000 or more. It is sometimes defined to include those with sales of \$375,000 or more.

assortment of foods and other merchandise. This and other features attracted customers away from the meat markets, bakeries, fruit and vegetables markets, and other specialty food stores.

Fewer Stores.- Some of the chain retail food store companies soon recognized the advantages of supermarket merchandising. As early as the late 1930's, some chains started replacing small stores with fewer large ones. Between 1939 and 1948, the number of chain stores -- those belonging to a company operating 4 or more stores -- decreased by about two-fifths. This reduction was only partly offset by an increase in the number of independent stores, so the total of all grocery stores decreased by about 2 percent between 1939 and 1948.

The number of grocery stores decreased from 350,754 in 1948 to 279,440 in 1954, or by more than one-fifth (table 11). The reduction was largest relatively among stores operated by companies having 11 or more units. The number of stores in this group declined by approximately 25 percent. The number of single-unit stores declined by about one-fifth and the number in the 4-10-units group decreased about 13 percent. The smallest decrease -- about 5 percent -- was in the "2 or 3 units" group. 22/

According to trade estimates the number of grocery stores continued to decrease in 1955 and 1956. Annual reports of several of the large chain store companies state that they reduced the number of their stores in 1955 and 1956 by closing small or outmoded units.

Most of the stores closed were small. Stores having an annual volume of sales of \$100,000 or more increased in number during this period. Some stores moved into the larger sales volume class because of the rise in prices or because they sold a larger quantity of products, but the number of large stores was increased mainly by the building of many supermarkets.

In 1954, about 91 percent of the grocery stores were single units, about 2 percent belong to 2 or 3 unit organizations, about 1 percent to 4-10-units companies, and 6 percent to companies having 11 or more units. These proportions were about the same as those in 1948.

22/ Data relating to number of stores by size of organizations (number of units) for 1948 and 1954 are not strictly comparable (tables 11 and 12). The 1954 Census of Business excluded establishments that had no paid employees and a sales volume of less than \$2,500 a year, but the census taken in 1948 included establishments which had a sales volume as small as \$500 provided they operated the entire year. This difference in coverage is the principal reason the 1948 and 1954 data are not comparable. Most of the stores of the size excluded in 1954 but included in 1948 no doubt were single units, so data for multiunit stores perhaps are practically comparable. In calculating the percentage decline in the number of single-unit stores, it was assumed that the stores having a sales volume of \$500-\$2,499 in 1948 were single-unit stores. The sales volume of these small stores was so small its inclusion in 1948 did not affect the total sales for any group significantly. The Bureau of the Census has published revised 1948 totals for the number of grocery stores and their sales and the number of other food stores and their sales. These revised totals are comparable with the corresponding totals for 1954.

Table 11.- Retail food stores: Number and sales, by kind and number of units, 1954 and 1948

Kind of store and number of units	Stores		Sales	
	1954	1948	1954	1948
	Number	Number	1,000 dollars	1,000 dollars
Grocery stores				
Single units	254,805	347,063	17,838,328	14,551,955
2 or 3 units	5,559	5,829	1,663,876	899,293
4-10 units	2,171	2,497	1,365,760	786,672
11 or more units ...	16,905	22,550	13,552,800	8,532,203
Total	279,440	1/350,754	34,420,764	1/24,729,717
Other food stores	101,940	110,159	3,331,120	4,478,147
Total	2/384,616	460,913	2/39,762,213	29,207,864

1/ Totals for 1948 are comparable with those for 1954 but 1948 data for single units and multiunits are not strictly comparable with those for 1954 and do not add to totals in this table. See footnote 22, p. 36.

2/ Totals for 1954 include data for establishments without payrolls which could not be classified by kind of business.

Compiled from Retail Trade, Census of Business, 1954 and 1948.

Mergers among retail food-store companies have been frequent. Some chain-store companies have grown more from acquiring existing stores than from establishing new stores. Many areas are adequately supplied with supermarkets and choice sites for new markets often are scarce. Consequently, growth by acquisition rather than by opening new markets may be preferable. Many chains have entered new territory by acquiring existing markets. Food Topics in its October 7, 1957, issue reported that 276 stores were involved in the leading mergers and acquisitions occurring up to that date in 1957. No doubt many additional mergers occurred. In spite of the many mergers in recent years, the total number of multiunit stores has declined because (1) the stores involved often belonged to a chain organization before the merger and (2) the chains have closed many small stores.

Sales Trends.- The total dollar sales of all grocery stores increased by 39 percent between 1948 and 1954. During this period supermarkets greatly increased the nonfood items in their stocks, so the increase in sales was not limited to food. The relative gain was largest for stores in the 2-or-3-units group, whose total sales rose by more than four-fifths. Total sales of the 4-10-units groups increased by about three-fourths, those of the 11-or-more-units group increased by about three-fifths, and those of single units by about one-fourth. The index of retail food prices rose by 7.5 percent between 1948 and 1954, so rising prices did not account for as much of the increase in dollar sales as did increases in the quantity of goods sold. The total quantity of goods sold by even the single-unit stores must have increased by more than 10 percent. Dollar sales of grocery stores were approximately 12 percent larger in 1956 than in 1954.

Table 12.- Grocery stores: Number and sales, by sales-size of store,
1954 and 1948 1/

Year and type of organization	Annual sales per store of -			
	Less than \$100,000		\$100,000-\$499,000	
	Stores	Sales	Stores	Sales
	Number	1,000 dollars	Number	1,000 dollars
<u>1954</u>				
Single units	201,516	7,185,307	38,766	6,990,291
2 or 3 units	1,959	106,834	2,443	565,919
4-10 units	305	16,429	907	238,137
11 units or more	1,100	72,537	5,993	1,706,713
Total	204,880	7,381,107	48,109	9,501,060
<u>1948</u>				
Single units and multi-units	276,511	8,564,787	42,419	8,165,261
	\$500,000 or more		Total	
	Stores	Sales	Stores	Sales
<u>1954</u>				
Single units	2,815	2,714,596	243,097	16,890,194
2 or 3 units	842	935,127	5,244	1,607,880
4-10 units	832	1,059,439	2,044	1,314,005
11 units or more	9,260	11,307,407	16,353	13,086,657
Total	13,749	16,016,569	266,738	32,898,736
<u>1948</u>				
Single units and multi-units	7,271	6,436,655	326,201	23,166,703

1/ Includes only stores operated entire year.

Compiled from Retail Trade, Census of Business, 1954 and 1948.

Single-unit stores accounted for about 52 percent of the total dollar sales made by grocery stores in 1954 compared with about 59 percent in 1948. Stores in the 2-or-3-units group had about 5 percent of the sales in the later year and 4 percent in the earlier year, the 4-10-units group 4 percent in 1954 and 3 percent in 1948, and the 11-or-more-units group had 39 percent in 1954 and 34 percent in 1948. Stores in the 11-or-more-units group increased their share of the total in 1955 and 1956. Data showing how sales were divided between stores in the other three groups are not available for these years.

The 12 largest chain retail food-store companies in the United States in 1954 had a total sales volume of 10,419 million dollars; sales of the

12 largest in 1948 totaled 6,699 million dollars. ^{23/} Thus, their total sales increased about 56 percent compared with a 59 percent increase for the 11-or-more-units group. Each of the companies had a sales volume of more than 100 million dollars in 1954. Their total sales amounted to 30 percent of the total sales made by the grocery stores enumerated by the Census of Business in 1954 and 27 percent of those in 1948. The 3 largest companies, each of which had a sales volume of more than 1 billion dollars in 1954, accounted for 22 percent of the total in 1954 and 20 percent in 1948.

Sales of the large stores increased by a much faster rate than those of the medium size and small stores. The total for stores having an annual volume of \$500,000 in 1954 was nearly two and a half times the corresponding total in 1948 (table 12). Total sales made by stores in the \$100,000-\$499,000 class increased by 16 percent, but sales made by stores with a volume of less than \$100,000 totaled 14 percent less in 1954 than in 1948.

These small stores accounted for about 22 percent of the total grocery-store sales in 1954 compared with 37 percent in 1948. The medium size stores also had a smaller share in 1954 -- 29 percent compared with 35 percent in 1948. But the large stores had a considerably larger share -- 49 percent compared with 28 percent in the earlier year. According to trade reports the large stores gained a larger share of the total grocery-store sales in 1955 and 1956.

Volume of Sales Per Store.— The average volume of sales for all grocery stores rose from approximately \$71,000 per store in 1948 to \$123,000 in 1954. It is estimated that average volume had increased to \$145,000 per store in 1956. In dollars of 1954 purchasing power the rise between 1948 and 1954 was a little greater than three-fifths. Sales per store increased 8 percent in the small size group and 22 percent in the large size group but decreased 5 percent for stores in the medium size group. Much of the increase in average volume per store, however, resulted from the decrease in the proportion of stores in the small size group and the increase in the other two groups. These proportions are shown below:

<u>Annual volume of sales</u>	<u>1954</u> <u>Percent</u>	<u>1948</u> <u>Percent</u>
Less than \$100,000	77	85
\$100,000-\$499,000	18	13
\$500,000 or more	5	2

More than four-fifths of the single-unit stores were in the small size class, about half of the stores in the 2-or-3-units group were in the medium size class, and 85 percent of those in the 4-10-units group and more than 90 percent of those in the 11-or-more-units group were in the medium and large size classes.

^{23/} Facts in Grocery Distribution, 1957 edition, and Facts in Food and Grocery Distribution as of January 1950, published by the Progressive Grocer, New York, N. Y.

About two-thirds of the large stores belonged to companies having 11 or more units, but one-fifth of the large stores were single-unit stores. Four-fifths of the medium size stores and 98 percent of the small stores were single units.

Supermarkets' Share of Sales Expected to Increase.- The characteristics of supermarkets which have enabled them to obtain an increasing share of the grocery-store sales seem to assure them a larger share in the years ahead. Supermarkets first attracted customers by selling at lower prices. To do this they adopted self service, eliminated credit and delivery, and sought to reduce operating costs wherever possible. Furthermore, they probably obtained economies of scale which helped them cut prices. But changes in consumer preferences and habits had much to do with the growing popularity of supermarkets. Once-a-week shopping by auto became common. Consumers who shopped this way preferred the supermarkets where they could make all their purchases at one stop. Supermarkets were particularly well adapted to the rapidly spreading suburban areas, where most of the people owned automobiles. 24/

Chain-store companies are still building new supermarkets to replace small stores. But this process may be of minor significance in the future as most of their small stores may now have been replaced.

Much of the increase in population will be in new suburban areas. Perhaps most of the stores built in the years ahead will be in these areas and most of them will be supermarkets.

A further decrease in the number of small stores is likely. But small stores will continue where they serve customers who cannot easily reach a large store. Small stores attract some customers who wish to buy only a few articles because shopping there is quicker and more convenient and the smaller stores often are open when larger stores are closed.

Other Food Stores

The number of food stores other than grocery stores declined by about 7 percent between 1948 to 1954, and their sales declined by more than 25 percent (table 11). Some of these "stores" are leased departments in supermarkets but are counted as separate establishments because they are under separate management.

Many other stores sell food but are not classified as food stores by the Bureau of the Census because food does not make up the bulk of their sales. Most of the stores classified as general stores sell food. These stores usually are located in rural communities. The number of general stores declined from 20,588 in 1948 to 17,701 in 1954, and their sales declined from 1,157 million dollars to 1,088 million dollars. Many city department stores have departments which sell food products -- often fancy groceries.

24/ For a more extensive discussion of the reasons for the gains made by supermarkets see the Dec. 1951 and Oct. 1952 issues of this Situation (MTS-103 and MTS-107).

NEW LEGISLATION AFFECTING TRANSPORTATION

New Definition of Contract Carrier by Motor Vehicle

Public Law 85-163, enacted August 22, 1957, amends the definition of "contract carrier by motor vehicle" as it appears in section 203(a) (15) of the Interstate Commerce Act. Formerly, contract carriers were privileged to negotiate for business with as many shippers as they chose and for as many hauls as they chose for any individual shipper. Public Law 85-163, by definition, restricts the transportation services of contract carriers to those rendered under continuing contracts for one person or a limited number of persons and to services of a special individual nature not provided by common carriers.

The new law requires the Interstate Commerce Commission to examine all outstanding contract-carrier permits within 180 days of the law's effective date and to revoke the permits of nonqualifying carriers. Should these carriers qualify as common carriers, the Commission is required to issue them certificates to operate as such between the same points or within the same territory which they served previously as contract carriers.

The Commission is further empowered to issue additional permits to contract carrier applicants only if it finds that the services of the applicants will be in the public interest and on the satisfactory presentation of proof that existing common carriers are unwilling or unable to provide the type of service they offer.

The definition of contract carriers was made more restrictive because it was held that the multiplicity of contracts held by some contract carriers made their operation equivalent to common-carrier service. These contract carriers enjoyed the additional advantage of being able to refuse any business they deemed undesirable while common carriers are required to accept any shipments offered them for transportation.

Amendment to Section 22

Section 22 of the Interstate Commerce Act permits carriers to offer transportation free or at reduced rates to the United States, State, or municipal governments, to charitable institutions, and to other groups and individuals specifically designated in that section.

Early in this session of Congress, bills were introduced in both Houses, on the recommendation of the ICC, to make section 22 inapplicable except in time of war or emergency. They were rejected by the Interstate and Foreign Commerce Committees of both the House and Senate. Instead, The Congress enacted Public Law 85-246, on August 31, 1957. This law does two things: (1) It requires that section 22 rate quotations be filed with the ICC where they will be open to public inspection, (2) it provides that regulated carriers submitting section 22 quotations shall be granted immunity from prosecution under the antitrust laws as provided in section 5(a) of the Interstate Commerce Act. The law exempts from the "public information" requirement those section 22 quotations offered Government agencies which should be kept secret in the interest of national security.

Proposed Amendment to Section 203 (b) (6)

A bill (S. 2553) of vital interest to shippers and haulers of agricultural commodities was introduced in July by Senator Smathers. It would remove from the benefit of the agricultural exemption provision by specific enumeration a number of commodities which have been included in it by recent interpretations of this provision by the United States Supreme Court and other Federal courts. No action has yet been taken on it. This bill would amend section 203(b) (6) (the provision of the Interstate Commerce Act which exempts haulers of unmanufactured agricultural commodities from economic regulation by the Interstate Commerce Commission) to read as follows: "(b) Nothing in this part, except the provisions of section 204 relative to qualifications and maximum hours of service of employees and safety of operation or standards of equipment shall be construed to include ... (6) motor vehicles used in carrying property (when such property is not transported in the same vehicle with any other property, or passengers, for compensation) consisting of (a) fish (including shellfish); (b) ordinary livestock, as defined in section 20 (11) of this Act; (c) leaf tobacco (not including redried tobacco); (d) nuts (not including shelled peanuts); (e) live poultry and raw eggs in the shell (not including frozen eggs); (f) domestic wool and mohair (not including cleaned or scoured wool or mohair); (g) fresh, pasteurized, fortified, standardized or homogenized milk, cream, skimmed milk, buttermilk or whey (including concentrated or condensed products thereof when shipped in milk shipping cans not hermetically sealed, or in bulk in tanks, but not including canned, churned, dried or powdered milk, cream, skimmed milk, buttermilk or whey or other manufactured products thereof); or (h) other agricultural or horticultural commodities (not including manufactured, cooked, canned, frozen, powdered, dehydrated, evaporated, condensed, concentrated, milled or pearled commodities or products thereof, or chilled juices or fruit salad."

Earlier in the session the Chairmen of the Senate and House Committees on Interstate and Foreign Commerce had introduced identical bills, 1/ recommended by the ICC, to amend section 203 (b) (6). These bills were more restrictive than S. 2553 and no action was taken on them in either House.

Other Legislation

Public Law 85-124 requires contract carriers by motor vehicle to file the actual rates they charge instead of minimum rates as previously allowed. Excepted are those contract carriers serving a single customer.

Public Law 85-108 clarifies the general powers of the St. Lawrence Seaway Development Corporation and increases its borrowing authority from 105 million dollars to 140 million dollars.

1/ See the May 1957 issue of this Situation, pp. 11-12.

SELECTED NEW PUBLICATIONS

1. "A Performance Test of Refrigerated Rail Cars Transporting Frozen Food," by Russell H. Hinds, Jr., Harold D. Johnson, and Robert C. Haldeman, U. S. Dept. Agr. Market. Res. Rpt. 182, June 1957.
2. "Cotton Price Relationships in Farmers' Local Markets," by William A. Faught, Southern Coop. Series Bul. 51, June 1957. (Agr. Expt. Stas. of Ala., Ariz., Ark., Ga., La., Miss., Mo., N. Mex., Okla., S. C., Tenn., Tex., and AMS cooperating.)
3. "Development of Carrot Prepackaging," by Donald R. Stokes and Goodloe Barry, U. S. Dept. Agr. Market. Res. Rpt. 185, June 1957.
4. "Evaluation of Retail Merchandising Practices for Pears, Peanut Butter, and Creamery Butter," by Henry J. Huelskamp, U. S. Dept. Agr. Market Res. Rpt. 180, June 1957.
5. "How Bulk Assembly Changes Milk Marketing Costs," by Donald B. Agnew, U. S. Dept. Agr. Market. Res. Rpt. 190, July 1957.
6. "Maintaining Produce Quality in Retail Stores," by William E. Lewis, U. S. Dept. Agr. Handbook 117, March 1957.
7. "Marketing Cattle and Calves Through Southern Auctions - Characteristics of Animals and Types of Buyers," by Roy G. Stout, Southern Coop. Series Bul. 48, Feb. 1957. (Agr. Expt. Stas. of Ala., Ark., Ga., Ky., La., Miss., N. C., Okla., S. C., Tenn., Va., West Va., and AMS cooperating.)
8. "Materials Handling in Public Refrigerated Warehouses," by Theodore H. Allegri and Joseph F. Herrick, U. S. Dept. Agr. Market. Res. Rpt. 145, July 1957.
9. "Potato Flakes --A New Form of Dehydrated Mashed Potatoes: Market Position and Consumer Acceptance in Binghamton, Endicott, and Johnson City, New York," by Philip B. Dwoskin and Milton Jacobs, U. S. Dept. Agr. Market. Res. Rpt. 186, July 1957.
10. "Purchasers' Opinions of Frozen Cranberries in Minneapolis-St. Paul," by J. Scott Hunter, U. S. Dept. Agr. Market. Res. Rpt. 183, June 1957.
11. "Raisin Marketing - Preliminary Economic Highlights," by Norman Townshend - Zellner and Loyd G. Martin, Agr. Market. Serv. Pub. 204, Aug. 1957.
12. "The Agricultural Exemption in Interstate Trucking -- A Legislative and Judicial History," by Celia Sperling, U. S. Dept. Agr. Market. Res. Rpt. 133, July 1957.
13. "The Special School Milk Program in Los Angeles, Calif. - A Preliminary Report," by Kenneth E. Anderson, Agr. Market. Serv. Pub. 179, Mar. 1957.
14. "The Use of Packing Labor in Florida Citrus Packinghouses," by George L. Capel, Agr. Econ. Mimeo. Rpt. 57-8, Dept. Agr. Econ. Fla. Agr. Expt. Sta. in cooperation with Market. Res. Div., AMS, U. S. Dept. Agr., June 1957, (RMA).
15. "Wholesaling Floral Commodities in the Chicago and New York City Markets," by Elmer J. Moore, U. S. Dept. Agr. Market. Res. Rpt. 175, June 1957.

Publications issued by State Agricultural Experiment

Stations may be obtained from the issuing Station.

Table 13.- Beef (Choice grade): Live-wholesale and wholesale-retail spreads, by quarters, 1956 to date 1/

Quarter	Live-wholesale (per 100 pounds live weight)				Wholesale-retail (per 100 pounds carcass weight)			
	Wholesale value				Wholesale price 4/			
	Price of steers 2/	Carcass 3/	Byproducts	Total	Spread	Retail value 5/	Spread	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>1956</u>								
Jan.-Mar.	19.47	6/20.15	1.83	6/21.98	6/2.51	6/34.15	49.68	6/15.53
Apr.-June	20.30	20.79	2.00	22.79	2.49	35.24	6/50.08	6/14.84
July-Sept. ...	23.76	6/24.97	2.14	6/27.11	6/3.35	6/42.32	54.80	6/12.48
Oct.-Dec.	22.67	6/23.74	2.06	25.80	3.13	40.24	6/56.64	6/16.40
Average ...	21.55	6/22.41	2.01	6/24.42	6/2.87	6/37.99	52.80	6/14.81
<u>1957</u>								
Jan.-Mar.	20.84	21.48	1.92	23.40	2.56	36.40	53.12	16.72
Apr.-June	22.85	23.39	2.15	25.54	2.69	39.65	6/55.76	6/16.11
July-Sept. ...	24.30	25.15	2.30	27.45	3.15	42.62	58.32	15.70

1/ Quarterly data for 1949-55 are published in "Beef Marketing Margins and Costs," U. S. Dept. Agr. Misc. Pub. 710, Feb. 1956, tables 1 and 3.

2/ Weighted average of price at 21 leading public stockyards.

3/ Wholesale carcass value is 59 percent of average wholesale price of 100 pounds of Choice grade carcass beef.

4/ Weighted average of prices of Choice grade carcass beef in New York, Chicago, Los Angeles, San Francisco, and Seattle.

5/ Calculated from average retail prices of beef cuts in urban areas, published by Bur. of Labor Statistics. The retail value per 100 pounds of carcass weight is 80 percent of average retail cost of 100 pounds of retail cuts, because about 20 pounds of a 100-pound carcass is fat, bone, and trim which is sold by retailers at nominal prices.

6/ Revised.

Table 14.- Pork: Live-wholesale and wholesale-retail spreads by quarters, 1956 to date 1/

Quarter	Live-wholesale (per 100 pounds live weight)			Wholesale-retail (per 100 pounds major cuts)		
	Price of hogs 2/	Wholesale value 3/	Spread	Wholesale value 4/	Retail value 5/	Spread
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>1956</u>						
Jan.-Mar.	12.82	13.74	5.92	34.19	47.18	12.99
Apr.-June	16.42	21.31	4.89	39.13	51.62	12.49
July-Sept.	16.77	22.22	5.45	41.09	54.92	13.83
Oct.-Dec.	16.12	21.49	5.37	38.66	54.11	15.45
Average	15.53	20.94	5.41	38.27	51.96	13.69
<u>1957</u>						
Jan.-Mar.	17.76	23.45	5.69	43.21	56.57	13.36
Apr.-June	19.09	24.35	5.26	45.48	6/59.21	6/13.73
July-Sept.	20.77	26.49	5.72	49.75	65.35	15.60

1/ Quarterly data for 1949-55 are published in "Pork Marketing Margins and Costs," U. S. Dept. Agr. Misc. Pub. 711, Apr. 1956, tables 1 and 2.

2/ Average price of 200-220 pound barrows and gilts, Chicago.

3/ Wholesale value at Chicago of 71 pounds of pork and lard obtained from 100 pounds of live hog.

4/ Wholesale value of 100 pounds of major pork cuts at Chicago computed from Livestock Market News and National Provisioner price quotations of individual cuts.

5/ Calculated from average retail prices of major pork cuts in urban areas, published by Bur. of Labor Statistics.

6/ Revised.

Table 15.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, July-September 1957 ^{1/}

Product ^{2/}	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			1,033.34	—	—	413.61	619.73	40
Meat products			274.47	—	—	150.33	124.14	55
Dairy products			190.36	—	—	87.56	102.80	46
Poultry and eggs		Average quantities purchased per urban wage-earner and clerical-worker family in 1952	96.46	—	—	59.77	36.69	62
Bakery and cereal products	Farm produce equivalent to products bought by urban families		157.40	—	—	31.47	125.93	20
All ingredients			—	26.46	3.03	23.43	—	15
Grain			—	—	—	—	—	—
All fruits and vegetables			227.19	—	—	63.67	163.52	28
Fresh fruits and vegetables ..			139.49	—	—	46.22	93.27	33
Fresh vegetables			65.64	—	—	21.82	43.82	33
Processed fruits and vegetables			87.70	—	—	17.46	70.24	20
Fats and oils			45.21	—	—	13.93	31.28	31
Miscellaneous products			42.25	—	—	6.88	35.37	16
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)	2.16 lb. Choice grade cattle	Pound	72.9	49.5	4.3	45.2	27.7	62
Lamb (Choice grade)	1 lb. Lamb	Pound	72.1	46.9	7.0	39.9	32.2	55
Pork (retail cuts)	2.13 lb. hogs	Pound	65.7	42.9	6.3	36.6	29.1	56
Butter	Cream and whole milk	Pound	73.8	—	—	51.4	22.4	70
Cheese, American process	Milk for American cheese	Pound	57.8	—	—	28.5	29.3	49
Ice cream	Cream and milk	Pint	29.5	—	—	3/ 5.6	23.9	19
Milk, evaporated	Milk for evaporating	14-1/2 ounce can	14.7	—	—	6.1	8.6	41
Milk, fluid	Wholesale fluid milk	Quart	23.9	—	—	10.8	13.1	45
Chickens, frying, ready-to-cook	1.37 lb. broilers	Pound	49.6	—	—	27.9	21.7	56
Eggs	1.03 doz.	Dozen	56.0	—	—	37.2	18.8	66
Bread, white								
All ingredients	Wheat and other ingredients	Pound	18.9	—	—	3.1	15.8	16
Wheat .....	.894 lb. wheat	Pound	—	2.8	.3	2.5	16.4	13
Crackers, soda	1.40 lb. wheat	Pound	29.1	4.4	.4	4.0	25.1	14
Corn flakes	1.57 lb. white corn	12 ounces	23.2	4.5	1.2	3.3	19.9	14
Corn meal	1.34 lb. white corn	Pound	12.7	3.8	.4	3.4	9.3	27
Flour, white	7.0 lb. wheat	5 pounds	54.8	22.2	2.3	19.9	34.9	36
Roller oats	2.56 lb. oats	20 ounces	22.2	4.8	.7	4.1	18.1	18
Apples	1.08 lb. apples	Pound	21.8	—	—	6.8	15.0	31
Grapefruit	1.04 grapefruit	Each	—	—	—	—	—	—
Lemons	1.04 lb. lemons	Pound	17.6	—	—	4.3	13.3	24
Oranges	1.04 doz. oranges	Dozen	61.8	—	—	20.1	41.7	33
Beans, green	1.09 lb. snap beans	Pound	21.2	—	—	10.5	10.7	50
Cabbage	1.10 lb. cabbage	Pound	8.5	—	—	2.8	5.7	33
Carrots	1.06 lb. carrots	Pound	15.8	—	—	5.3	10.5	34
Celery	1.11 lb. celery	Pound	15.2	—	—	4.5	10.7	30
Lettuce	1.41 lb. lettuce	Head	19.9	—	—	7.2	12.7	36
Onions	1.06 lb. onions	Pound	10.1	—	—	2.4	7.7	24
Potatoes	10.42 lb. potatoes	10 pounds	57.6	—	—	17.6	40.0	31
Sweetpotatoes	1.12 lb. sweetpotatoes	Pound	16.9	—	—	4.5	12.4	27
Tomatoes	1.18 lb. tomatoes	Pound	23.2	—	—	8.5	14.7	37
Orange juice, canned	5.88 lb. Fla. oranges for canning	46 ounce can	34.2	—	—	10.5	23.7	31
Peaches, canned	1.89 lb. Calif. cling	No. 2-1/2 can	34.8	—	—	6.4	28.4	18
Beans with pork, canned .....	.35 lb. Mich. dry beans	16 ounce can	14.7	—	—	2.4	12.3	16
Corn, canned	2.49 lb. sweet corn	No. 303 can	17.1	—	—	2.4	14.7	14
Peas, canned .....	.69 lb. peas for canning	No. 303 can	21.6	—	—	3.1	18.5	14
Tomatoes, canned	1.84 lb. tomatoes for processing	No. 303 can	15.0	—	—	2.4	12.6	16
Orange juice concentrate, frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	17.6	—	—	5.9	11.7	34
Strawberries, frozen .....	.51 lb. strawberries for processing	10 ounces	25.5	—	—	5.5	20.0	22
Beans, green, frozen .....	.79 lb. beans for processing	10 ounces	24.1	—	—	5.1	19.0	21
Peas, frozen .....	.70 lb. peas for freezing	10 ounces	19.6	—	—	3.2	16.4	16
Dried beans (navy)	1.00 lb. Mich. dry beans	Pound	16.1	—	—	6.9	9.2	43
Dried prunes .....	.97 lb. dried prunes	Pound	34.0	—	—	9.5	24.5	28
Margarine, colored	Soybeans, cottonseed, and milk	Pound	29.6	—	—	8.9	20.7	30
Peanut butter	1.77 lb. peanuts	Pound	53.6	—	—	18.9	34.7	35
Salad dressing	Cottonseed, soybeans, sugar, and eggs	Pint	37.3	—	—	7.3	30.0	20
Vegetable shortening	Soybeans and cottonseed	3 pounds	97.6	—	—	32.3	65.3	33
Corn sirup	1.90 lb. corn	24 ounces	24.9	4.1	.9	3.2	21.7	13
Sugar	35.60 lb. sugar beets	5 pounds	55.5	21.0	1.0	4/20.0	4/35.5	36

^{1/} The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

^{2/} Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

^{3/} Includes farm value of cream and milk only.

^{4/} Net farm value adjusted for Government payments to producer was 23.9 cents, farm-retail spread adjusted for Government processor tax 32.8 cents, farmer's share of retail cost based on adjusted farm value was 43 percent.

Preliminary estimates.

Table 16.- Farm food products: Retail cost and farm value, July-September 1957, April-June 1957,
July-September 1956 and 1947-49 average 1/

Product 2/	Retail unit	Retail cost						Net farm value 3/					
		July- Sept. 1957	Apr.- June 1957	July- Sept. 1956	1947-49 average	Percentage change: July-Sept. 1957 from -	Percentage change: July-Sept. 1956 from -	July- Sept. 1957	Apr.- June 1957	July- Sept. 1956	1947-49 average	Percentage change: July-Sept. 1957 from -	Percentage change: July-Sept. 1956 from -
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket		1,033.34	1,002.12	994.05	940.09	+ 3	+ 4	413.61	395.47	403.85	466.02	+ 5	+ 2
Meat products		274.47	254.98	242.99	256.08	+ 8	+ 13	150.33	136.08	136.29	170.90	+ 10	+ 10
Dairy products		190.36	188.56	186.63	169.28	+ 1	+ 2	87.56	85.90	87.01	91.66	+ 2	+ 1
Poultry and eggs	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	96.46	87.28	97.78	117.01	+ 11	- 1	59.77	52.59	60.41	80.69	+ 14	- 1
Bakery and cereal products		157.40	156.56	151.58	121.96	+ 1	+ 4	31.47	32.18	31.24	34.97	- 2	+ 1
All ingredients		---	---	---	---	---	---	23.43	23.94	23.16	24.96	- 2	+ 1
Grain		227.19	227.04	229.33	184.68	5/	- 1	63.67	67.04	68.30	60.93	- 5	- 7
All fruits and vegetables		139.49	138.55	138.24	103.91	+ 1	+ 1	46.22	49.37	49.44	42.91	- 6	- 7
Fresh fruits and vegetables:		65.64	69.82	71.16	53.17	- 6	- 8	21.82	21.04	26.12	22.97	+ 4	- 16
Fresh vegetables		87.70	88.49	91.09	---	- 1	- 4	17.46	17.67	13.86	---	- 1	- 7
Processed fruits and vegetables		45.21	45.52	44.07	52.21	- 1	+ 3	13.93	14.80	13.56	19.84	- 6	+ 3
Fats and oils		42.25	42.18	41.67	38.87	5/	+ 1	6.88	6.88	7.04	7.03	0	- 2
Miscellaneous products													
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef (Choice grade)	Pound	72.9	69.7	68.5	68.5	+ 5	+ 6	45.2	41.5	45.5	48.5	+ 9	- 1
Lamb (Choice grade)	Pound	72.1	70.0	68.8	63.9	+ 3	+ 5	39.9	39.9	38.4	44.2	0	+ 4
Pork (retail cuts)	Pound	65.7	59.4	55.2	59.4	+ 11	+ 19	36.6	33.2	29.8	39.7	+ 10	+ 23
Butter	Pound	73.8	73.9	72.1	79.4	5/	+ 2	51.4	51.5	50.9	59.3	5/	+ 1
Cheese, American process	Pound	57.8	57.5	57.3	52.6	+ 1	+ 1	28.5	28.6	28.4	32.0	5/	5/
Ice cream	Pint	29.5	29.4	28.9	---	5/	+ 2	6/ 5.6	5/ 5.6	6/ 5.5	---	0	+ 2
Milk, evaporated	14 1/2 ounce can	14.7	14.5	14.2	13.7	+ 1	+ 4	6.1	6.2	6.1	7.1	- 2	0
Milk, fluid	Quart	23.9	23.6	23.5	20.1	+ 1	+ 2	10.8	10.4	10.7	10.6	+ 4	+ 1
Chickens, frying, ready-to-cook:	Pound	49.6	48.6	49.8	---	+ 2	5/	27.9	27.1	27.2	---	+ 3	+ 3
Eggs	Dozen	56.0	47.4	57.2	66.7	+ 18	- 2	37.2	30.5	38.5	48.0	+ 22	- 3
Bread, white													
All ingredients	Pound	18.9	18.8	18.1	13.5	+ 1	+ 4	3.1	3.2	3.1	3.3	- 3	0
Wheat	Pound	---	---	---	---	---	---	2.5	2.6	2.5	2.7	- 4	0
Crackers, soda	Pound	29.1	29.0	27.7	---	5/	+ 5	4.0	4.1	4.0	---	- 2	0
Corn flakes	12 ounces	23.2	23.0	21.9	17.1	+ 1	+ 6	3.3	2.9	2.9	3.2	+ 14	+ 14
Corn meal	Pound	12.7	12.8	12.6	11.8	- 1	+ 1	3.4	3.0	3.1	3.6	+ 13	+ 10
Flour, white	5 pounds	54.3	54.6	53.4	48.4	5/	+ 3	19.9	20.4	19.7	21.0	- 2	+ 1
Rollod oats	20 ounces	22.2	22.0	19.3	16.1	+ 1	+ 15	4.1	4.6	4.5	5.4	- 11	- 9
Apples	Pound	21.8	20.1	16.6	11.9	+ 8	+ 31	6.8	9.6	5.7	5.4	- 29	+ 19
Grapefruit	Each	---	7/11.2	---	8.5	---	---	---	7/ 2.1	---	1.4	---	---
Lemons	Pound	17.6	18.8	19.2	17.7	- 6	- 3	4.3	4.5	6.1	5.7	- 4	- 30
Oranges	Dozen	61.8	54.9	66.0	46.6	+ 13	- 6	20.1	17.0	21.6	12.6	+ 18	- 7
Beans, green	Pound	21.2	24.7	18.9	21.1	- 14	+ 12	10.5	10.1	9.3	9.3	+ 4	+ 13
Cabbage	Pound	8.5	9.5	7.5	6.9	- 11	+ 13	2.8	2.3	2.3	1.9	+ 22	+ 22
Carrots	Pound	15.8	13.8	13.9	11.1	+ 14	+ 14	5.3	3.0	4.0	4.0	+ 77	+ 32
Celery	Pound	15.2	15.5	13.5	---	- 2	+ 13	4.5	4.6	4.1	---	- 2	+ 10
Lettuce	Head	19.9	16.3	14.8	14.5	+ 22	+ 34	7.2	5.8	4.2	6.3	+ 24	+ 71
Onions	Pound	10.1	11.7	12.7	8.4	- 14	- 20	2.4	4.8	5.1	3.7	- 50	- 53
Potatoes	10 pounds	57.6	57.4	63.7	51.9	5/	- 31	17.6	13.4	32.5	25.6	+ 31	- 46
Sweetpotatoes	Pound	16.9	16.0	14.6	11.6	+ 6	+ 16	4.5	6.2	5.1	4.8	- 27	- 12
Tomatoes	Pound	23.2	36.9	22.7	---	+ 37	+ 2	8.5	11.1	8.6	---	- 23	- 1
Orange juice, canned	46 ounce can	34.2	36.0	33.5	---	- 5	- 11	10.5	10.6	11.6	---	- 1	- 9
Peaches, canned	No. 2-1/2 can	34.8	34.7	34.9	31.5	5/	5/	6.4	6.7	7.1	5.3	- 4	- 10
Beans with pork, canned	16 ounce can	14.7	14.6	14.6	---	+ 1	+ 1	2.4	2.3	2.2	---	+ 4	+ 9
Corn, canned	No. 303 can	17.1	17.1	18.2	16.7	0	- 6	2.4	2.5	2.5	2.7	- 4	- 4
Peas, canned	No. 303 can	21.6	21.5	21.4	21.4	5/	+ 1	3.1	3.2	3.2	3.0	- 3	- 3
Tomatoes, canned	No. 303 can	15.0	14.8	15.1	14.2	+ 1	- 1	2.4	2.4	2.3	2.6	0	+ 4
Orange juice concentrate, frozen:	6 ounce can	17.6	18.1	20.1	---	- 3	- 12	5.9	6.2	7.8	---	- 5	- 24
Strawberries, frozen	10 ounces	25.5	26.6	29.6	---	- 4	- 14	5.5	7.2	7.6	---	- 24	- 28
Beans, green, frozen	10 ounces	24.1	24.8	23.0	---	+ 1	+ 5	5.1	5.1	4.9	---	0	+ 4
Peas, frozen	10 ounces	19.6	19.6	21.4	---	0	- 8	3.2	3.3	3.2	---	- 3	0
Dried beans (navy)	Pound	16.1	16.0	16.2	19.9	+ 1	- 1	6.9	6.5	6.4	9.7	+ 6	+ 8
Dried prunes	Pound	34.0	34.3	36.2	23.1	- 1	- 6	9.5	9.5	13.4	8.8	0	- 29
Margarine, colored	Pound	29.6	30.0	29.2	39.7	- 1	+ 1	8.9	9.6	8.6	12.2	- 7	+ 3
Peanut butter	Pound	53.6	53.6	53.6	---	0	0	18.9	19.6	20.6	---	- 4	- 8
Salad dressing	Pint	37.3	37.2	35.6	37.8	5/	+ 5	7.3	7.7	7.8	10.0	- 5	- 6
Vegetable shortening	3 pounds	97.6	99.0	93.1	105.6	- 1	- 1	32.3	34.7	31.0	46.2	- 7	+ 4
Corn sirup	24 ounces	24.9	24.8	23.8	---	5/	+ 5	3.2	3.3	3.9	---	- 3	- 18
Sugar	5 pounds	55.5	55.0	52.9	48.4	+ 1	+ 5	20.0	20.0	20.0	19.4	0	0

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

3/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.

4/ Preliminary estimates.

5/ Less than 0.5 percent.

6/ Includes farm value of cream and milk only.

7/ 2-month average.

Table 17.- Farm food products: Farm-retail spread and farmer's share of the retail cost, July-September 1957, April-June 1957, July-September 1956, and 1947-49 average 1/

Product 2/	Retail unit	Farm-retail spread 3/				Farmer's share					
		July-Sept. 1957	Apr.-June 1957	July-Sept. 1956	1947-49 average	Percentage change from -		July-Sept. 1957	Apr.-June 1957	July-Sept. 1956	1947-49 average
		4/	1957	1956	average	Apr.-June 1957	July-Sept. 1956	4/	1957	1956	average
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket	()	619.73	606.65	590.20	474.07	+ 2	+ 5	40	39	41	50
Meat products	()	124.14	118.90	106.70	85.18	+ 4	+ 16	55	53	56	67
Dairy products	()	102.80	102.66	99.62	77.62	5/	+ 3	46	46	47	54
Poultry and eggs	Average quantities purchased ()	36.69	34.69	37.37	36.32	+ 6	- 2	62	60	62	69
Bakery and cereal products	per urban wage-canner ()	125.93	124.38	120.34	86.99	+ 1	+ 5	20	21	21	29
All ingredients	and ()	---	---	---	---	---	---	15	15	15	20
Grain	clerical- ()	---	---	---	---	---	---	---	---	---	---
All fruits and vegetables	worker ()	163.52	160.00	161.03	123.75	+ 2	+ 2	28	30	30	33
Fresh fruits and vegetables ..	family ()	93.27	89.18	88.80	61.00	+ 5	+ 5	33	36	36	41
Fresh vegetables	in 1952 ()	43.82	48.78	45.04	30.20	- 10	- 3	33	30	37	43
Processed fruits and vegetables	()	70.24	70.82	72.23	---	- 1	- 3	20	20	21	---
Fats and oils	()	31.28	30.72	30.51	32.37	+ 2	+ 3	31	33	31	38
Miscellaneous products	()	35.37	35.30	34.63	31.84	5/	+ 2	16	16	17	18
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade)	Pound	27.7	28.2	23.0	20.0	- 2	+ 20	62	60	66	71
Lamb (Choice grade)	Pound	32.2	30.1	30.4	19.7	+ 7	+ 6	55	57	56	69
Pork (retail cuts)	Pound	29.1	26.2	25.4	19.7	+ 11	+ 15	56	56	54	67
Butter	Pound	22.4	22.4	21.2	20.1	0	+ 6	70	70	71	75
Cheese, American process	Pound	29.3	23.9	23.9	20.6	+ 1	+ 1	49	50	50	61
Ice cream	Pint	23.9	23.8	23.4	---	5/	+ 2	19	19	19	---
Milk, evaporated	1 1/2 ounce can	8.6	8.3	8.1	6.6	+ 4	+ 6	41	43	43	52
Milk, fluid	Quart	13.1	13.2	12.8	9.5	- 1	+ 2	45	44	46	53
Chickens, frying, ready-to-cook	Pound	21.7	21.5	22.6	---	+ 1	- 4	56	56	55	---
Eggs	Dozen	18.8	16.9	18.7	18.7	+ 11	+ 1	66	64	67	72
Bread, white											
All ingredients	Pound	15.3	15.6	15.0	10.2	+ 1	+ 5	16	17	17	24
Wheat	Pound	16.4	16.2	15.6	---	+ 1	+ 5	13	14	14	20
Crackers, soda	Pound	25.1	24.9	23.7	---	+ 1	+ 6	14	14	14	---
Corn flakes	12 ounces	19.9	20.1	19.0	13.9	- 1	+ 5	14	13	13	19
Corn meal	Pound	9.3	9.8	9.5	8.2	- 5	- 2	27	23	25	31
Flour, white	5 pounds	34.9	34.2	33.7	27.4	+ 2	+ 4	36	37	37	43
Roller oats	20 ounces	18.1	17.4	14.8	10.7	+ 4	+ 22	18	21	23	34
Apples	Pound	15.0	10.5	10.9	6.5	+ 43	+ 38	31	45	34	45
Grapefruit	Each	---	5/ 9.1	---	7.1	---	---	---	5/ 19	---	16
Lemons	Pound	13.3	14.3	13.1	12.0	- 7	+ 2	24	24	32	32
Oranges	Dozen	41.7	37.9	44.4	34.0	+ 10	- 6	33	31	33	27
Beans, green	Pound	10.7	14.6	9.6	11.8	- 27	+ 11	50	41	49	44
Cabbage	Pound	5.7	7.2	5.2	5.0	- 21	+ 10	33	24	31	28
Carrots	Pound	10.5	10.8	9.9	7.1	- 3	+ 6	34	22	29	36
Celery	Pound	10.7	10.9	9.4	---	- 2	+ 14	30	30	30	---
Lettuce	Head	12.7	10.5	10.6	8.2	+ 21	+ 20	36	36	28	43
Onions	Pound	7.7	6.9	7.6	4.7	+ 12	+ 1	24	41	40	44
Potatoes	10 pounds	40.0	44.0	51.2	26.3	- 9	- 22	31	23	39	49
Sweetpotatoes	Pound	12.4	9.8	9.5	6.8	+ 27	+ 31	27	39	35	41
Tomatoes	Pound	14.7	25.8	14.1	---	- 43	+ 4	37	30	38	---
Orange juice, canned	46 ounce can	23.7	25.4	26.9	---	- 7	- 12	31	29	30	---
Peaches, canned	No. 2-1/2 can	28.4	28.0	27.8	26.2	+ 1	+ 2	13	19	20	17
Beans with pork, canned	16 ounce can	12.3	12.3	12.4	---	0	- 1	16	16	15	---
Corn, canned	No. 303 can	14.7	14.6	15.7	14.0	+ 1	- 6	14	15	14	16
Peas, canned	No. 303 can	18.5	18.3	18.2	18.4	+ 1	+ 2	14	15	15	14
Tomatoes, canned	No. 303 can	12.6	12.4	12.8	11.6	+ 2	- 2	16	16	15	18
Orange juice concentrate, frozen	6 ounce can	11.7	11.9	12.3	---	- 2	- 5	34	34	39	---
Strawberries, frozen	10 ounces	20.0	19.4	22.0	---	+ 3	- 9	22	27	26	---
Beans, green, frozen	10 ounces	19.0	18.7	18.1	---	+ 2	+ 5	21	21	21	---
Peas, frozen	10 ounces	16.4	16.3	18.2	---	+ 1	- 10	16	17	15	---
Dried beans (navy)	Pound	9.2	9.5	9.8	10.2	- 3	- 6	43	41	40	49
Dried prunes	Pound	24.5	24.8	22.8	14.3	- 1	+ 7	28	28	37	38
Margarine, colored	Pound	20.7	20.4	20.6	27.5	+ 1	5/	30	32	29	31
Peanut butter	Pound	34.7	34.0	33.0	---	+ 2	+ 5	35	37	38	---
Salad dressing	Pint	30.0	29.5	27.8	27.8	+ 2	+ 8	20	21	22	26
Vegetable shortening	3 pounds	65.3	64.3	67.1	59.4	+ 2	- 3	33	35	32	44
Corn sirup	24 ounces	21.7	21.5	19.9	---	+ 1	+ 9	13	13	16	---
Sugar	5 pounds	35.5	35.0	32.9	29.0	+ 1	+ 3	36	36	38	40

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

3/ The farm-retail spread is the difference between the retail cost and the net farm value, table 16.

4/ Preliminary estimates.

5/ Less than 0.5 percent.

6/ 2-month average.

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